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U.S. INTERNATIONAL DRUG POLICY

HEARING

BEFORE THE

CAUCUS ON
INTERNATIONAL NARCOTICS CONTROL

OF THE

UNITED STATES SENATE

ONE HUNDRED FIRST CONGRESS

FIRST SESSION

ON

INTERNATIONAL DRUG CONTROL PROGRAMS

APRIL 19, 1989

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SENATE CAUCUS ON INTERNATIONAL NARCOTICS CONTROL

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U.S. INTERNATIONAL DRUG POLICY

WEDNESDAY, APRIL 19, 1989

U.S. SENATE,
CAUCUS ON INTERNATIONAL NARCOTICS CONTROL,
Washington, DC.

The caucus met, pursuant to notice, at 10:30 a.m., in room SD-226, Dirksen Senate Office Building, Hon. Joseph R. Biden, Jr. (chairman of the caucus) presiding.

Also present: Senators D'Amato, Graham, and Wilson.

OPENING STATEMENT OF HON. JOSEPH R. BIDEN, JR., A U.S. SENATOR FROM THE STATE OF DELAWARE

The CHAIRMAN. The hearing will come to order.

Welcome, gentlemen. I feel like I am in my other committee, the Foreign Relations Committee. Look at all these Ambassadors sitting before me. I am flattered, we are flattered and honored that all of you would be willing to continue to take your time to help us deal with what is, as we all know, an incredibly difficult problem to deal with and, quite frankly, a problem that requires us to review from time to time the judgments we have made earlier about how to best deal with the problem.

My cochairman, the Senator from New York, Senator D'Amato, and other members of this special caucus will be moving in and out of the hearing today. It is a very busy day because of the savings and loan bill that is on the floor. So, it may be attendance that is not as uniform as everyone hoped that it would be.

I am going to suggest the following procedure: I will begin with a relatively brief opening statement and the Senator from New York will have an opening statement. Then we will ask each of you in the order I will introduce you to make any opening statement you have. Then we will move to questioning.

Before we begin, I should indicate that our first witness today was going to be our distinguished colleague and a colleague of Senator D'Amato's, Senator Moynihan. I will at the conclusion of my statement and Senator D'Amato's ask that his statement be placed in the record. I would like to read two excerpts from it before that occurs.

Today, the Senate Caucus on International Narcotics Control opens the first in a series of hearings the purpose of which is to review the U.S. Government's international drug policy. Such a review is necessary, in our view.

Stopping drugs at the source has been a centerpiece of U.S. anti-drug efforts for over two decades now. Indeed, as the chart on my left and your right will show, the spending chart, U.S. funds for

overseas drug programs have grown 200 percent, from approximately $70 million in 1982 to more than $210 million in 1989. More than $1 billion has been devoted to international drug control programs in the 8-year period.

Unfortunately, despite an ever-increasing U.S. commitment to the economic and diplomatic resources, worldwide drug production has skyrocketed in recent years, as shown on the chart of drug production. If you take a look at the one on the right there, on the top, coca production has jumped an unprecedented 143 percent since 1982. Opium production is up 84 percent in the same period. And marijuana production has risen 33 percent.

The enormous profits of the international drug trade have allowed the cocaine cartels to hire and equip literally armies, buy elections, and intimidate foreign governments. The economic and political power of the cartels represent a direct threat to the stability of several major Latin American governments and, I would add, to the national security of the United States of America.

It is time for a fundamental reassessment of our international drug control strategy. Along with my cochairman, Senator D'Amato, we intend to hold a series of hearings to do exactly that. At a minimum, we intend to get answers to some very basic questions.

First, what have we done to control the international drug trade in the past two decades and how much has it cost. In what countries have we been effective and what political, economic, and environmental factors have accounted for the success? Why do we succeed in some places and fail in others? Why, in our effort to control coca production in South America, have we been unable to replicate our successes in Turkey and Mexico in the 1970's with regard to heroin? And what have we not tried? How much would it cost to mount a significantly more aggressive international drug control program?

There are two schools of thought. Some very distinguished people in the next panel will tell us that it is not a very useful expenditure of our dollars. Others will tell us that the reason why we have not succeeded is we have not done nearly as much, we have not done nearly what is necessary.

It is the purpose of this hearing today to begin the process for us to determine, as we put together along with the administration and international and national drug strategy, to determine where we should apply our resources.

What we always hear mentioned, we always hear Turkey. I have been here long enough to remember that success. I have been here since 1972. Turkey in the late 1960's was a heroin trafficking haven. Heroin trafficking and abuse in the United States reached what was categorized then as epidemic proportions; 80 percent of the heroin in the United States was coming from Turkey. In response to intense U.S. diplomatic pressure and $35 million in U.S. aid, the Turkish Government first banned and then imposed tight regulations on opium cultivation.

Despite many obstacles, the program worked. Heroin prices rose in the United States as purity dropped during the same period. Today, the amount of illicit opium exported from Turkey is negligible.

In Mexico in the late 1970's, we cracked down on opium and marijuana cultivation. With U.S. assistance, the Mexican Government moved forcefully to eradicate marijuana and poppy fields. And that program seemed to work. Mexican heroin production fell 75 percent from 1976 to 1980, as the official estimate of heroin addicts in the United States dropped 20 percent. At the same time, the share of the U.S. marijuana market supplied from Mexico also fell sharply.

These success stories have largely shaped current U.S. international drug policy and have led us to rely heavily on eradication as our primary strategy to combat South American cocaine production in the early 1980's. And I might add, so it does not sound like I am distancing myself here, I was one of those who thought that was a very good idea and now have doubts about how effective it is.

According to the administration's 1987 national and international drug strategy, eradication is the No. 1 priority of our overseas drug program.

But there is considerable evidence that the circumstances that existed in the 1970's simply do not exist in South America today. As a result, our reliance on crop eradication today has been based upon fundamental flawed assumptions about the ability to replicate the unique conditions that existed in Turkey and Mexico in the 1970's, according to many.

In today's hearing, we hope to find out whether our current policy is based upon such faulty reasoning or merely that we are not executing, either in terms of personnel or in terms of money, the program properly.

Last month I chaired the Judiciary Committee's nomination hearings on William Bennett to be our first national drug Director.

As I stated at the outset of those hearings, the main reason my colleagues and I have worked for 8 years to establish that office was to give one high-ranking authority the ability to make tough-minded political and budgetary decisions necessary to craft an effective national antidrug strategy.

Nowhere will these decisions be tougher than in the international arena. In this and subsequent hearings we intend to make clear just what decisions need to be made, what options we have, and how much it will cost to put any new policy in place or to make an old policy work better.

I hope these hearings will assist not only Dr. Bennett, by laying out the choices that he needs to make, but also the Senate and the Congress, which will be called upon to review Dr. Bennett's first strategy and to appropriate the money necessary to make it work.

In conclusion, let me state that I do not anticipate that in the next 4 years the U.S. Senate and Congress will be as active on the part of Senator D'Amato, myself, and others, who have been deeply involved in this subject, in crafting new legislation. We have given the police almost all the power they have asked for. Anything that they have asked for directly related to the drug issue, they have been given; notwithstanding, God bless him, what the President says on occasion when he says he would like very much to be able to hold people without bail. Well, we gave him that authority 4 years ago, notwithstanding the fact that he wants tougher laws, we gave him that authority. Notwithstanding the fact he wants flat-

time sentencing, we gave him that authority. It is all there. He has every single thing that he says he is asking for, it is already in the law.

Two things were asked for that are not in the law. One is reform of habeas corpus, which arguably is not directly related to drugs; it relates more to the death penalty; and the exclusionary rule, which arguably would or would not impact. Everything else that the President says he wants, he has. Maybe the press will write that. We have given it to him already. It is in the law. Now the question is, what are we going to do to make what exists work?

We have made mistakes up here in the Congress. This chairperson has made mistakes in terms of the judgments that he has arrived at and how to deal with the problem. We are going to spend a lot of time reviewing what works and what does not work and trying to do more of what works and less of what does not work, although it is going to be a tough job.

With that, let me yield to my colleague from the State of New York for any comments that he would like to make at this time.

OPENING STATEMENT OF HON. ALFONSE M. D'AMATO, A U.S. SENATOR FROM THE STATE OF NEW YORK

Senator D'AMATO. Mr. Chairman, let me commend you for holding this series of hearings. This is the first of what I understand will be eight hearings.

I do not believe that there is a more critical area of concern that we have failed to address than the drug and alcohol epidemic sweeping across this Nation.

I would like to make an allusion to one aspect of it, which states that in the 1970's and 1980's, implementing an international drug policy was never, never a priority. There were always other overriding concerns in dealing with drug-producing and drug-transit nations. The threat posed by the emerging drug cartels should have been recognized and should have come to the forefront of the policy debate. Yet, we did not pay sufficient attention to the impact of the cartels and their potential to undermine those nations in which they operated. For too long we put this issue on the back burner, and now we are paying the price.

I suggest, Mr. Chairman, that in many of the nations involved that that price is one which is irreversible as it relates to encouraging or bringing about a cession of the drug operations of these nations, whether it be cultivation, trafficking, or the operation of labs. But we should not give up. We had better begin to undertake the very painful, difficult, and very necessary processes of reducing the demand. Reducing the demand here in this Nation is going to take a lot of courage and a lot of political fortitude. And just as I would have to pose the question whether or not Mexico at this point in time has the fiber to resist the growing strength of the cartel, I would also question whether Colombia has the necessary strength at this point in time to deal effectively with the power of the cartel. I do not think Colombia does. But lest we bring others and entrap these countries and entrap our people for all time, it would seem to me that we know who the enemy are. As Pogo said, they are us.

Until we begin to bring about the kinds of policies and leadership that will diminish that demand both here and in other countries, this is a pervasive problem that will continue to grow, continue to entrap us, and continue us down the road of decline with the loss of domestic tranquility that we see not only in our Nation's Capital but in most of our urban centers.

So, Mr. Chairman, this work that you have undertaken in the committee is most important. I commend you for it. I certainly look forward to listening to our witnesses.

The CHAIRMAN. Thank you very much

I would like to ask unanimous consent that the statement and testimony of Senator Moynihan, who cannot be here because he is chairing the oversight hearings on U.S.-Soviet policy in the Foreign Relations Committee at this moment, be entered into the record.

I would like to read two excerpts from his opening statement. On page one:

> We concluded at the outset of that tremendous effort that we could not measure the effectiveness of our strategy by weighing the shipments of heroin we interdict, or counting the acres of coca we eradicate. Rather, for each element of our strategy we proposed a simple test: how does it lead to a decline in drug use in the United States?

On page three:

> In a word, both Turkey and France had strong central governments capable, if they chose, of doing what we asked them to do. Further, each was a military ally of the United States, which is to say we were all members of the North Atlantic Treaty Organization. Success? Yes, so far as it went. But I would like to offer the thought that this success bred the seeds of subsequent failure.

And then he goes on to make the case that we misapplied the case of Turkey into South America when he says: "The supply of coca and opium in these countries"—meaning from Brazil up into Panama—

> . . . in these countries is unlimited, or as near as makes no matter. Ninety-six square miles of coca production in Bolivia, just 14 percent of the worldwide crop, will supply the United States with cocaine for a year. Sixteen square miles of poppy in Pakistan, 2 percent of the worldwide crop, will supply the United States with heroin for a year.

From the last page of his statement:

> In the South Bronx, 1 in 40 expectant mothers tests positive for AIDS. Most get it by selling sex for crack, or by inserting dirty needles in their veins. If they want drugs they can and will find them. Money spent in Peru will not help overcome addiction. Money spent on treatment will. A 10-percent success rate in treatment is meaningful in a way that a 10-percent success rate in eradication is not.

As you can see, he has changed some of his views—I should not say changed—refined his views, because I do not want to characterize what his views were on this issue. But I wanted that to be read in the record at the outset.

Without objection, his entire statement will be inserted into the record.

[The prepared statement of Senator Moynihan follows:]

TESTIMONY OF SENATOR DANIEL PATRICK MOYNIHAN

BEFORE THE SENATE CAUCUS ON INTERNATIONAL NARCOTICS CONTROL

APRIL 19, 1989

Mr. Chairman, some things work and some things do not. When we drafted last year's Anti-Drug Abuse Act we recognized this and sought an antidrug strategy that would be effective. We concluded at the outset of that tremendous effort that we could not measure the effectiveness of our strategy by weighing the shipments of heroin we interdict, or counting the acres of coca we eradicate. Rather, for each element of our strategy we proposed a simple test: how does it lead to a decline in drug use in the United States?

It so happens, Mr. Chairman, that, as the old navigators would put it, I have been down that way and know something of the coasts. In a word, I am the person who conceived, and, for the most part, put in place the strategy by which the United States broke "the French Connection" some 20 years ago. A criminal commerce had developed in which opium grown in the central provinces of Turkey was brought to Marseilles, France, processed into heroin, and smuggled into New York. By then, heroin use in the United States had reached epidemic proportions. So, when in November, 1968, President-elect Nixon asked

me to come to Washington to be his Assistant for Urban Affairs I asked his approval to pursue two issues. First, we had to reform the welfare system. Next, we had to place the international drug traffic on the agenda of American foreign policy.

In August of 1969 I flew to Turkey and France, meeting with officials there, telling of the President's concern about the flood of heroin then coming into the United States. I was curteously received in Istanbul by the Turkish foreign minister, Ihsan Sabri Laglayangil. He knew well enough that poppy was grown in Anatolia; poppy seed was part of the Turkish national diet. But he knew nothing of drug use, and if the United States wanted Turkish farmers to farm differently, we would have to pay them to do so. Which was reasonable, and which, in time, we did. In Paris, the matter assumed quite different levels of seriousness. Heroin use had appeared in France. There had been deaths. French youth faced decimation if government did not act.

The results are to be read in the 1988 International Narcotics Control Strategy Report. The entry on Turkey begins: "There is no significant cultivation of illicit narcotic or psychotropic substances in Turkey." There is no entry at all for France.

In a word, both Turkey and France had strong central governments capable, if they chose, of doing what we asked them to do. Further, each was a military ally of the United States, which is to say we

were all members of the North Atlantic Treaty Organization. Success? Yes, so far as it went. But I would like to offer the thought that this success bred the seeds of subsequent failure.

We are now attempting to replicate our success in Turkey and France in isolated corners of remote countries that do not have the capacity to govern such as Turkey and France had, and have. Peru, Burma and Afghanistan face violent civil war. Laos, Afghanistan, and Iran are openly hostile to the U.S. Brazil has uncounted square miles jungle where governmental authority is limited. Most of these nations are desperately poor.

The supply of coca and opium in these countries is unlimited, or as near as makes no matter. Ninety-six square miles of coca production in Bolivia, just 14 percent of the worldwide crop, will supply the United States with cocaine for a year. 16 square miles of poppy in Pakistan, 2 percent of the worldwide crop will supply the United States with heroin. Coca will grow in any region of the world which gets between 40 and 240 inches of rain per year, where it never freezes, and where the land is not waterlogged. In South America this comes to roughly 2,500,000 square miles.

In Peru, where the State Department seeks to spray a chemical known as "Spike" on farms in the Huallaga Valley, drug enforcement can hardly be detached from the violence that is breaking that country apart. We have credible reports that Sendero Luminoso,

Marxist guerillas whose model is not Lenin but the Khmer Rouge, protect coca growers from the police and negotiate on their behalf with Colombian drug lords. Will growers move deeper into insurgent territory, and further from governmental authority, if their land is sprayed? Will the Peruvian government win back the allegiance of Andean villagers if it sponsors the eradication of their chief cash crop? Will large scale eradication make it more difficult to end a civil war that so far has taken 10,000 innocent lives?

Thirteen years ago, in an entirely different corner of the world, we began giving the Burmese military helicopters and airplanes to eradicate opium. During those 13 years, annual opium production rose from 260 tons to 1,300 tons. Meanwhile, the Burmese military has been condemned by Amnesty International, Asia Watch, and finally by the United States Senate, for gross human rights violations in its conduct of a civil war that has raged in the Burmese countryside since 1949. Did we attempt to learn if such abuses took place during anti-drug operations? No. We could not. For the Burmese took our helicopters but forbade us to enter the territories where they flew.

Where eradication has been successful, supply has shifted to new sources. When Turkish production diminished in 1974 Mexico filled the gap within months. And U.S. efforts to destroy coca in Bolivia in 1986 moved cultivation across the border to Brazil.

Brazilian coca, known as epadu, differs from the Bolivian variety because it can grow beneath the jungle canopy. This and other guerilla farming techniques are successful adaptations to enforcement. Guerilla farming has protected America's number two cash crop, marijuana, 3,500 tons of which grow on one million acres of US government owned National Forest land.

When we learn to observe drug trafficking as an economic activity we will see the US marijuana crop for what it is: a domestic industry protected from foreign competition. Indeed, Peter Reuter of the RAND Corporation has urged us to see international drug control as a tariff that raises the cost of importing drugs relative to their domestic equivalents. Coca, unlike marijuana, does not grow in the United States. But, as Frank Hall, the recently retired chief of the New York City Police Department's narcotics division, said recently in a New York Times interview, if foreign cocaine were to disappear, synthetic drugs would take its place "within two months."

Moreover, we have never intended to eradicate the **entire** coca crop. Much of the South American coca crop is licit. Coca is chewed by Andean peasants. Its effect is that of a mild stimulant, not unlike coffee. We will not attempt to get rid of the licit crop. It will remain for the peasants, and for the Coca Cola Company, which to this day uses it as a flavoring. If we could eradicate the illicit crop, would American crack addicts not outcompete Bolivian peasants, if not Coca Cola, for the remainder?

I believe most of us recognize this. Yet we continue to expand eradication and interdiction at the expense of treatment, local law enforcement, and prevention. We may even acquiesce to the singular delusion that large scale aerial coca eradication in South America will reduce drug use in the United States. Mind, it will divert our attention. It will divert blame. But it will not divert cocaine from our shores. And it will weaken, rather than strengthen, the authority of the Peruvian and Bolivian governments in the Andes.

Mr. Chairman, in my city of New York, something like 600,000 mostly young people are addicted to crack. Those who wish to hold on to life must wait months to enter the residential treatment programs that can help. And there is no methadone, no maintenance drug for them while they wait. In the South Bronx, one in forty expectant mothers tests positive for AIDS. Most get it by selling sex for crack, or by inserting dirty needles in their veins. If they want drugs they can and will find them. Money spent in Peru will not help them overcome addiction. Money spent on treatment will. A 10 percent success rate in treatment is meaningful a way that a 10 percent success rate in eradication is not. Our spending priorities must follow from what we know to be true. I trust that when this debate is over our attention will turn to the serious effort we must undertake to help addicts stop using drugs and to teach our children never to start.

The CHAIRMAN. Let us, without any further interruption, begin by introducing the panel. Robert S. Dillon was Ambassador to Lebanon from 1980–1983, Deputy Chief of Mission in Turkey from 1977–1980, and Director of Turkish Affairs in the State Department, 1971–1974. He knows a great deal about what was happening at that time and, I suspect, now.

Joseph John Jova was Ambassador to Honduras, 1965–1969, to the Organization of American States, 1969–1974, and to Mexico, 1974–1977.

Diego Asencio was Ambassador to Colombia, 1977–1980, and to Brazil from 1983–1986, and a man who has had some interesting experiences, to say the least. I am one of your admirers, I might add.

Thomas Boyatt was Ambassador to Colombia, 1980–1983.

Gentlemen, welcome. I would like to ask you to make whatever statements you have in the order in which you are called, working from my left to right. Again, welcome, and I am flattered that you would take the time to come be with us.

PANEL CONSISTING OF ROBERT S. DILLON, AMBASSADOR TO LEBANON, 1980–1983; JOSEPH JOHN JOVA, AMBASSADOR TO HONDURAS, 1965–1969; DIEGO C. ASENCIO, AMBASSADOR TO COLOMBIA, 1977–1980; AND THOMAS D. BOYATT, AMBASSADOR TO COLOMBIA, 1980–1983

STATEMENT OF ROBERT S. DILLON

Mr. DILLON. Thank you, Senator.

I am pleased to be here. Of course, it is a problem that I continue to be very interested in.

Because of the short notice, I have not made a written statement. I would like to sum up briefly the Turkish experience and then, of course, any questions.

The essential thing to keep in mind, and you have already touched one of the two points, but the two essential things to keep in mind about the Turkish experience are these: there was and is a strong central government; second, it is a licit crop in Turkey. The opium poppy is not illegal in Turkey. It is a controlled, licit crop. The Turks, for many years, have supplied morphine base to pharmaceutical companies. The government buys the entire crop and then sells it in the international market.

Starting sometime in the 1960's, but certainly by the late 1960's, it was generally believed that a great deal of Turkish opium, actually in the form of morphine base, was getting into illegal markets. Whether the quantifications that we have heard used are accurate, nobody really knows, but it was certainly evident that it was getting there. Again, this was not from an illegal, clandestine source of production. There were seven or eight provinces in central Turkey where opium was a legal crop and had been a legal crop for many years.

There was an ineffective Turkish control system. The Turkish control system in those days consisted of something like inspectors from the soil products office, as it was called, going out to the areas where opium had traditionally been permitted, making judgments about how much could be permitted that year and issuing licenses

Later, when the crop was in, the same inspectors would go back, and the amounts permitted in the license and the amounts that the peasants sold were compared. And everything was even, except that, of course, the peasants obviously were holding back opium. Inspectors were inaccurate in making judgments about what could be produced. And indeed there was probably some low-level corruption involved.

By the late 1960's this had become a serious problem for the United States. We gave considerable aid to Turkey. BNDD, as it was called in those days, now DEA, had had agents there for many years. There was cooperation with the Turkish police, generally satisfactory. But we were not satisfied. In 1971, in fact I was present. Bill Handley was the Ambassador. I was stationed in Istanbul at the time. The two of us met with the Turkish Prime Minister, Nihat Erim, with very strong instructions from the United States. At the end of an intensive 3-day series of discussions, we persuaded Erim to abolish completely the production of opium in Turkey, which sounds good but in fact did not work.

And we promised some aid to the Turks to make up for the economic losses suffered by their farmers and things like that. But the problem was, and it is one of the things you have to keep in mind, it immediately became a major political problem in Turkey, because Erim and other members of his government who were quite sincere, in my view, in wishing to get Turkey out of opium, were immediately accused of having bowed to foreign pressures. It was a major issue. In 1973 there were elections in Turkey. It probably would be an exaggeration to say that the opium issue made the difference in the elections, but they became a major internal political issue, a nationalistic issue with politicians outdoing each other in proclaiming their willingness to resist American pressure and defending the Turkish record.

Mr. Ecevit became the Prime Minister. This was probably October of 1973. We knew that in June the next government decree in regard to opium poppy would have to come out. So there were intensive discussions with Ecevit, asking him to keep the poppy ban in place. Ecevit concealed his intentions until the very last day. At midnight, June 30, which was the deadline for the decree under Turkish law to be issued, Ecevit went back into poppy production. This was a very popular decision in Turkey. Ecevit was a hero on the basis of that. The United States was very upset. We withdrew our Ambassador, Bill McComber, brought him back to the United States.

During this period, I should say, I was the Director of Turkish Affairs in Washington. We prepared for a row with our Turkish friends.

At the end of the month, though, the Greek colonels had pulled the coup in Cyprus, deposing Mykarios, and set off the events that later were known as the Cyprus crisis. It pushed poppies in the background. We rushed McComber back to the field. We resumed business with the Turks.

Ecevit and people in his government, though, realized that even though they had a popular success on their hands, politically they had problems with the Americans. At this point I went off to Malaysia for 3 years, which is the way the Foreign Service does

things. So I was not involved in the ensuing discussions. But it was at that point that a good plan was developed. I really cannot even say who was responsible except to say that I was not responsible.

The plan was that the Turks would use a factory-based process for processing opium. Up to that point the way opium was produced in Turkey was that in the fields, June every year, the village women went through the fields making an incision on the Turkish poppy. Three days later they would come back and painstakingly scrape the residue off. It would be molded into large balls of raw opium. This was the raw opium that was sold to the government. The stuff that was kept back, of course, went into the hands of traffickers who then converted it to morphine base in clandestine factories.

The point of the new process was that it became illegal in Turkey to incise or cut a poppy ball. It was easy to know, it takes large numbers of poppies to produce a sizable amount of opium. In areas where government has got control it is not at all difficult to find whether pods are being cut. Furthermore, it is a very labor-intensive job. It is not as if one person can sneak out in a field at night and get a significant amount of opium. It has to be done by large numbers of people.

We agreed to finance a factory. It is an expensive process. Once the pods go to a factory, they are safe. I am leaving out details which I think are probably irrelevant. The factory, in a place called Bolvidine, which we financed, and as I recall, it was $30 million or $35 million to build that factory, was in operation by 1981. I was back in Turkey in the years 1977 to 1980. During that time, even though there was occasional leakage out of Turkey and there were old caches of morphine base that had obviously been concealed or put away would show up in trade, my memory is that the export of either heroin or morphine base from Turkey was way down. At one point we even bought up some of the straw because the factory was not completed.

Now, I have been out of Turkish affairs since 1980. I understand, though, from other people that the thing has worked, that indeed the factory at Bolvidine is working successfully, that the Turks have increased licit production only slightly, even though that has always been a worry, that they would start overproducing in some fashion. And I understand from my friends that there is not a problem now in the, let us say, illicit production and export of opium or any kind of opium-based drugs from Turkey. So, that is the story.

Now, not to prejudge the outcome of the hearings, but let me——

The CHAIRMAN. You are allowed to do that, as long as you do it in a relatively quick amount of time.

Mr. DILLON. OK.

One has to be very careful about generalizing from this, as you say. There was a strong central government. It is a licit crop. It was in central Anatolia where things are easily controlled. It was not out in the eastern mountains. The Turks have a stake in their friendship with us.

High-level corruption was not a problem. Low-level corruption certainly, but high-level corruption was not a problem.

So it is in fact a success story. Even though I am not really current on what is going on since then, I believe that Turkish opium is not considered a problem.

The old trafficking families of course are still in business. There is some trafficking through Turkey, and it is the same families who were in business in the 1960's and 1970's.

I think that is my statement.

The CHAIRMAN. Thank you very much, Ambassador.

Ambassador Jova?

Mr. JOVA. Thank you, Mr. Chairman.

I must say it is very gratifying to be here after 12 years of having been out of the Foreign Service.

The CHAIRMAN. Welcome back.

Mr. JOVA. Thank you.

STATEMENT OF JOSEPH JOHN JOVA

Mr. JOVA. I think that it is wonderful that you would call back these emisarios del passado, as they say in Mexico.

And I am delighted to see you, Senator D'Amato.

The CHAIRMAN. Excuse me. Senator Graham from Florida has arrived. He is also a member.

Mr. JOVA. Looking back, it seems that that period of the mid-1970's was very positive. The relationships among those who were working on the narcotics program were close. Our relationships with the Mexican Government grew ever closer. But I think we have to remember that it was far from perfect.

When I was appointed in 1973, it was made clear to me at all levels of the U.S. Government, from the lowly desk officer right to the Nixon White House, that narcotics were the principal mission that I had, and that was to be given the greatest importance. This is certainly true, and I think it shows what a high-level interest there was at the time. Of course, that made me wonder whether there was not something else in this complicated relationship that we had with Mexico. And, of course, there were. There were other matters. But all of our activities did have the narcotics program in mind.

I think we have to also keep in mind that the relationship with the—that narcotics, important as they indeed are, should be approached in the context of an overall, complicated, sensitive, and important relationship with the Mexican Government. To the extent that we have good relations with Mexico, it is that much easier to carry out a narcotics program, because they depend greatly on these good relationships. And it is not only with the Mexican attorney general, who runs the program there, but with the principal figures of the government.

I think that to the extent that an ambassador's effectiveness increases, it is in direct ratio to the type of access he has to the President and to the Minister of Interior and the other leading principal figures in the Mexican hierarchy.

By the time I arrived, we already had begun a new and important equipment procurement program for the eradication effort. As this program grew, there is no question that eradication increased.

It also gave us important leverage with the attorney general and with the Mexican officials working on drugs.

I think we can be proud of what was accomplished in the mid-1970's. I am gratified to see that Peter Bensinger, who at that time was Director of the Drug Enforcement Administration, is in the audience here. I think that looking back, it was a time when there were very cooperative relationships between the embassy and all other agencies represented in Mexico that were concerned with this vital problem.

At the same time, I repeat again that we should not look at the past with rose-colored glasses. Even back then we had misgivings, complaints about the program. Many of those problems are still with us today but in a much more complicated situation in Mexico.

An awful lot of marijuana and poppies were chopped down, burned or at a later stage, chemically defoliated, but there always seemed to be more available from some other part of the country or from Southeast Asia. As demand stayed the same, a scarcity was at once reflected in higher prices which, in turn, tended to increase the supply worldwide due to the laws of supply and demand.

So you can be cynical. I might say that eradication itself serves as an incentive to produce more unless demand is decreased. But this is a very complicated matter, to solve the demand problem. It certainly requires long-term measures. But we should definitely examine our own national conscience to ensure that we are doing enough on this score. The demand, as Senator D'Amato pointed out, is critical. Despite this, we should continue eradication programs. They are effective short range. They give a sense of urgency to the program. And they are an indication of our commitment. But we should use them only as part of other measures to control drug traffic.

Drugs at the source is a wonderful motto, but it can also be rather dangerous. Our efforts should not have even the appearance that the drug war must be fought outside rather than inside our own borders. And you usually hear because it is easier, because it is cheaper, you even hear because we are not hindered by U.S. constitutional provisions, et cetera. But I think that those arguments are corrosive to any efforts to gain and increase that spirit of mutuality which is vital to effective cooperation on an international scale.

There must be a two-way street where each side feels that it is sharing equally and to avoid any appearances of prepotence and thus it is easier to sell our programs to the foreign authorities as well as to their public opinion, which is essential.

Besides the demand side, one of our true targets should be the leaders of the cartels and their supplies of money. I am glad to see that progress is being made both here and in Mexico, where certain big dealers have been captured recently.

I know one of the questions you asked is, What are the political and economic costs of implementing effective narcotics control programs in Mexico? Well, I think that is self-evident. These programs have been a prime if intermittent source of friction in our bilateral relationships. This is understandable in view of the delicacy of "running" operations, which can be interpreted as intervention in Mexican internal affairs, violations of sovereignty, et cetera. All

those are matters of immense sensitivity in Mexico, and therefore this requires to handle these programs with great sensitivity on our part.

Now the good news. More recently, Mexican Government and public opinion have begun to see narcotics as a domestic as well as an international—read U.S.—problem and even, with the entry of Colombian gangs—and this is really a scary development—Mexicans are now commencing to see it as a threat to their own sovereignty as well as to the health of their own citizens.

Incidentally, I had dinner with the chairman of Televisa, the principal and very important Mexican chain of television stations. Just yesterday he told me that Televisa is now engaged in a real crusade to educate Mexican public opinion on the drug dangers, both through programs such as comics, et cetera, aimed at youth and more sophisticated programs aimed at parents, emphasizing the dangers to their children's health. Televisa had great success on their family planning programs in the 1970's and 1980's, and they managed to help reduce the population increase from the very high 3.6 percent that Mexico had in the early 1970's to the current 2-plus percent today. Miguel Aliman, who is the chairman of Televisa and also currently Ambassador at Large for Mexico, is optimistic that television can also have a similar effect on narcotics awareness.

The CHAIRMAN. Mr. Ambassador, I apologize——

Mr. JOVA. I am finishing—excuse me——

The CHAIRMAN. The reason I say that is, we are going to be in a position where someone on the floor could object to us continuing to meet so many hours after we are in session. So, I would like us to try to summarize the statements.

Mr. JOVA. I will summarize.

In cultivating the spirit of cooperation based on mutual interests, it is important to do everything possible to encourage Mexican solutions to the problems facing us. Nothing is more counterproductive than to have the United States constantly pushing its own ideas, which in some cases might not be suitable for Mexico. I do not say we have to give up the pressures; we have to continue them, but be careful how we do them.

For instance, I can recall two narcotics-related problems which at one time seemed insoluble, yet they were resolved rather effectively when Mexico itself proposed courses of action. I refer to the use of herbicides. We were encouraging Paraquat at the time, and it was a forbidden thing; but it was solved, thanks to a Mexican initiative by using some herbicides produced in Mexico, and also to the one-time acute problem of the treatment of American offenders held on narcotics charges in Mexican prisons. This was resolved thanks to an initiative and a formula developed by the then Foreign Minister, Garcia Robles. Now the American prisoner issue is something that you do not even read about today, thanks to the agreement to exchange the sentences between American and Mexican prisoners.

Thank you, Mr. Senator, and thank you for reminding me that time was flowing.

The CHAIRMAN. I would like to hear much more. I just am concerned that we are not going to be able to go through.

Without objection, your prepared statement will be inserted into the record.

[The prepared statement of Mr. Jova follows:]

PREPARED STATEMENT OF JOSEPH JOHN JOVA

I gather that - now - the period of the mid-seventies is regarded as a high point in US-Mexico collaboration on narcotics. Looking back, I would agree that the relationship was reasonably close; the collaboration in many respects was productive but certainly far from perfect.

It is difficult for me to recall intimate details as I left Mexico just over 12 years ago and also I do not have any files to help me on details.

First of all, when I was named ambassador to Mexico in 1973, it was made clear to me at all levels that narcotics was the most burning issue and one to which I should assign the highest priority. This was true from desk officer level to the Nixon White House. I could not help but think that there were other aspects of our relationship with Mexico which also deserved high level attention. This was true, of course, but no doubt from the U.S. Government point of view narcotics were, at least in 1973-74, the dominant preoccupation. As I recall, my calls on some of the U.S. Senators and Congressmen from border states were a little more varied in their concerns. Certainly, narcotics problems, important as they indeed are, should best be approached in the context of an overall, complicated, sensitive and important relationship.

Once in Mexico, I found that narcotics were indeed a big issue for the Embassy but there were other concerns as well. After all, effective narcotics program operations depended heavily on good relationships with the Mexican Government, and not only with the Mexican Attorney General who was our point of contact for this. In fact, while I spent a great deal of time with the Attorney General, usually accompanied by the Embassy Narcotics Coordinator and/or the Chief DEA representative, I found that my effectiveness

increased in direct ratio to the extent that I acquired access and relationships with other principal figures in the Mexican hierarchy. It was precisely in this regard that I could best help the DEA and Narcotics Coordinator who themselves were on terms of relative familiarity with the Attorney General and his staff. It was a certain ambiance of having close contact with the President, the Minister of Interior, the military, etc. that gave the Ambassador the clout needed to help put a point across.

By the time I arrived in Mexico, the US had already begun a new and important equipment procurement program for the Mexican narcotics effort. As this program grew there is no question that it gave important leverage. By the time I left it seemed that the Attorney General controlled more aircraft than the Air Force itself and this undoubtedly enhanced the Attorney General's position and importance among his peers in the cabinet. This was not only an important psychological factor in our dealings with his office but it also helped in that he too required to get cooperation from other branches of the Mexican Government including the military.

I think we can be proud of what was accomplished in the mid-seventies, but we would be deluding ourselves if, looking back, we saw everything through rose-colored glasses. We also, back then, had complaints and misgivings about the program and actually many of those complaints/misgivings are still valid today.

An awful lot of marijuana and poppies were chopped down, burned or at a later stage, chemically defoliated but there was always more available from some other part of the country or from Southeast Asia. As demand stayed the same, a scarcity was at once reflected in higher prices which, in turn, tended to increase the supply worldwide due to the laws of supply and demand.

A cynic might say that eradication in itself serves as an incentive to produce more unless demand is decreased. Obviously the matter of demand requires long-range solution but we should examine our own national conscience to ensure that we are doing enough on this score. Despite this, we should continue eradication programs as an indication of our commitment and as part of other measures to control drug traffic. Our efforts must not have even the appearance that the drug war must be fought outside rather than inside our own borders because it is easier; because it is cheaper; because we are "not hindered by U.S. constitutional provisions", etc. Such arguments are corrosive to any efforts to gain and increase that spirit of mutuality which is vital to effective cooperation on an international scale. A two-way street where each side feels that it is sharing equally avoids any appearances of prepotence and is thus easier to sell to the foreign authorities as well as to their public opinion.

While eradication as such is not effective in any long term way, we should still continue eradication programs as a short-term measure and for the sense of urgency that it communicates. Our real target should be the leaders of the cartels and their supply of money.

The political and economic costs of implementing effective narcotic control programs in Mexico are self evident. These programs have been a prime, if intermittent, source of friction in our bilateral relationships. This is understandable in view of the delicacy of "running" operations which can be interpreted as "intervention" in Mexican internal affairs, "violations of sovereignty", etc -- all matters of immense sensitivity in Mexico.

More recently, Mexican government and public opinions have begun to see narcotics as a domestic as well as an international (read U.S.) problem and even, with the entry of Columbian gangs,

as a threat to sovereignty as well as to the health of its citizens.

(The Chairman of Televisa just this week told me that his powerful television chain is now engaged in a real crusade to educate Mexican public opinion on the drug dangers both through programs such as comics aimed at youth and more sophisticated programs aimed at parents and emphasizing the dangers to their children's health. Just as Televisa's efforts on family planning helped reduce population growth from the high 3.6 percent of the early 70's to the current 2 plus rate of today, he is optimistic that television can have a similar effect on narcotics awareness.)

In cultivating the spirit of cooperation based on mutual interest it is important to do everything possible to foment Mexican solutions to the problems facing us. Nothing is more counterproductive than to have the U.S. constantly pushing its own ideas which, in some cases, might not be suitable for Mexico. For instance, two narcotics-related problems which at one time seemed insoluble were resolved rather effectively when Mexico itself proposed courses of action. I refer to the use of herbicides and also to the at one time acute problem of American offenders held in Mexican prisons.

The CHAIRMAN. Next is Mr. Asencio.

STATEMENT OF DIEGO C. ASENCIO

Mr. ASENCIO. Thank you, Mr. Chairman. I am very flattered at the invitation to be here today.

I have shared platforms with you over the years on this very subject, and I know of your long interest in this area. I am also delighted to see my own Senator Graham here, who was very stalwart as Governor of Florida in supporting some of the programs that we engaged in Colombia.

I would like perhaps to depart from the conventional wisdom here a bit and try to be as provocative as I can. I have very strong reservations with the thesis that the principal drug strategy of the U.S. Government has been to stop drugs at the source. I do not believe that for a minute. If you look at the numbers, they just do not match. The number you have there, $213 million, that is a high-water mark. Certainly, say, for my time in Colombia, 1977 to 1980, the number was then probably not quite a hundred million, and it has fluctuated. So it has been at or around or near or under that number over that period of time.

During the same period, moneys devoted to domestic enforcement at all levels ran well over a billion dollars. So you had that relationship. If you consider that, I do not think a billion dollars is adequate either, but a hundred million; what this translates into, in Colombia, for instance, at the time I was there, and we were talking about a country that at that time was supplying us perhaps 80 percent of our cocaine, perhaps 70 percent of our marijuana, it translated into a program budget of approximately $4 million. I would say that those are not terribly serious figures. It puts into question exactly what our policy was.

I do not think that that situation has changed materially; even, for instance, at the height of the recent fuss with Mexico, my recollection—I am searching my memory—my recollection was that we were talking of a budget that was perhaps under $10 million. I mean, if that is—or $15 million, OK—if that is a serious budget for a place that impacts so much on our concern for this problem, I wonder what we are really talking about.

Director Bennett is talking about spending, what, $80 to $100 million in the District of Columbia. And you are talking about $213 million for the world. I mean, where are the proportions? I really wonder what our policy has been. I think I know what it was. Essentially it was to embarrass these governments into devoting their own resources. Now, I do not have any particular problem with that. Sometimes it is effective. But it is not a serious program. It is a program that lends itself to lip service, that lends itself to taking stances that are not really designed to be effective.

Now, I notice that Senator D'Amato talked about demand reduction, and I agree with him. I think that that is the ultimate solution. My problem there is that I am not sure anybody knows how to really do demand reduction. Just what programs are there that would in fact enable us to do this? And I am concerned about that becoming the new sort of buzz word in the sense that our interlocutors abroad see this as an alternative to enforcement where they

are. In other words, they say: why do you not take care of the problem on your end and stop bugging us?

I really think that that gives them an opportunity to cop out.

I am also concerned that we are beginning to see traces of, I would consider, national security issues. You see situations where these drug lords either on the one hand line up with radical clandestine organizations of the left or now most recently in Colombia with radical clandestine organizations of the right. Paramilitary organizations that are engaged in large-scale massacres in a situation where the Colombian Government really is not in control of substantial segments of their own society. These things concern me. I really would worry about a trend that I can see in terms of what we have been talking about here, where the emphasis would be sort of on domestic enforcement, domestic rehabilitation, domestic expenditures, and perhaps even cutting further the $213 million that I think is grossly inadequate.

I really think that if our enforcement comes down to waiting in some cove in Florida for somebody to show up, we have lost. And I really do think it is possible to do something abroad. I recall with then Governor Graham we got some substantial appropriations increases. I think we eventually got up to $16 million, which, again, I do not consider terribly serious but it is a heck of a lot better than $4 million. And we were seizing marijuana and cocaine at four to six times the U.S. national seizure rate. We were doing effective things.

Sure, you have the effect of forcing up the price. You have dislocations. You have people regrouping and going to other societies. All these things are very, very well known. But my point is that we do have very, very good people in those societies who have been working with us, who are quite prepared to go, to put their lives on the line on this subject. And we have lost a lot of Colombian officials and a lot of Mexican officials, officials of other societies. There are good people there who have been working with us in this area.

I think it would be a tragedy to lessen any of that support. I would advocate perhaps not the reversal of the figures I mentioned. I do not think we will ever get to a situation where we will be spending a billion dollars in terms of international programs. But certainly not a proportion of, you know, one billion to a hundred million.

Thank you.

The CHAIRMAN. Thank you very much.

[Material submitted by Mr. Asencio follows:]

COMPREHENSIVE TREATMENT FOR SUBSTANCE ABUSING INMATES IN A CORRECTIONAL SETTING

Bruce Wald, Director
The Key Program

POSITION STATEMENT

THE KEY PROGRAM

The correlation between substance abuse and crime has long been established and accepted in many quarters. In fact, studies indicated that inmates with a history of substance abuse have a proportionately high rate of recidivism. The federal government has and is expanding procedures in attempts to quell the illegal importation of these substances. State and city law enforcements confiscate large quantities and arrest both users and sellers. The judiciary seems to mete out longer and harsher sentences. The legislative bodies pass stringent laws and allocate monies for the expansion of housing for inmates in the correctional system. Various techniques of mental health and criminal justice have been tried and, in the majority of cases, most of the people relapse and have returned to criminal activity.

Criminal justice sanctions alone do not significantly reduce criminality or drug use but may provide the setting for treatment. Evidence from the research literature indicates that some specialized treatment programs have successful in reducing recidivism. The Key Program is based on the social learning theory principle that criminal behavior is learned through a process of social interactions and that prosocial actions must be learned to replace the deviant ones. In the late 1950's, a revolution in philosophy and practice came about in the treatment of substance abusers via the Synanon Program in California. Faithful adherents of that philosophy initiated programs on the East Coast such as Daytop Village and Phoenix House. Their statistical rates of recovery and positive productive lifestyles solicited the attention and praise of both mental health and criminal justice professionals alike.

Over a decade ago, a new program called Stay 'N Out began using this philosophy and treatment in the correctional systems in New York State. Research statistics have shown the program to be effective in quelling recidivism and the use of mind and mood altering chemicals. Because of the proven effectiveness of this program, some states have developed or are in the process of developing prison-based therapeutic communities.

In July of 1988, The Key Program a therapeutic community, was instituted in the Multi-Purpose Criminal Justice Facility, located in Wilmington, Delaware, in cooperation with the Department of Correction and the Bureau of Justice Assistance. After a number of expert evaluations, The Key Program was deemed to be well on its way, and considered a model for other programs around the country.

Crime and drugs are so intertwined that they cannot be extricated from one another. Those involved inpredatory crimes (robbery, muggings) commit 6-8 times more crime during their active drug use. More defendants are being arrested on drug charges than any other category. Unless we intervene they will continue to commit crimes and prison populations will continue to grow. The quality of life is decaying consistent with the amount of drug use we see. Simply because drug use and crime go hand-in-hand.

Dr. James Inciardi states and I quote, "that we have been plagued with a number of competing philosophies as to what prisons ought to be for;

A) Isolation of criminals
B) Should we punish criminals
C) Should we change criminals
D) Do we protect society
E) Combined with the fact the general public feels that criminals should be warehoused which is not a solution.

Over 95% come out again and if you don't change them (via treatment) they will pick up their asocial preditory behavior again.

Society feels that justice is served when a perpetrator is arrested and convicted, but does not realize that at the same time when that individual person is being incarcerated at the same time. Others who committed similar offenses are being released having become more hateful, tougher and gained more knowledge about criminality and the vicious cycle continues. Cronic hardcore users are arrested more often they also are responsible for a substantial amount of street crimes.

According to Dr. Bruce Johnson Narcotic and Drug Research, Incorporated, heroin and cocaine users and offenders are responsible for 80 to 90% of all drug transactions and they each commit approximately 10 to 20 robberies and 30 to 50 burglaries yearly and numerous other offenses as well. They comprise only 3% of the entire population of offenders, but they are responsible for 60% of the robberies committed.

Federal statistics show that there are approximately 1 million incarcerated individuals throughout the country. State and correctional systems are continually grappling with escalating budgets. Costs per inmate incarcerated in a prison or jail vary from 9,000 to 30,000 annually. As opposed to treatment costs varying from 200 to 3,000 per inmate depending upon the type of treatment.

CRIMINAL USER CYCLE

Significance Of The Project

A survey of 12,000 state prisoners nationwide conducted by The Bureau of Justice Statistics (1983) revealed that 75% (9,000) of the prisoners surveyed had used drugs at some time in their life. 56% (6,720) of the prisoners had used drugs within 30 days of the arrest leading to their current incarceration. Finally, approximately 33% (3,960) were using drugs at the time of the crime leading to their current incarceration. The rates of drug use among prisoners are also higher than those in the general population. Prisoners are twice as likely to have used drugs and three times as likely to have used within the last 30 days than individuals in the general population. There appears to be a relationship between drug abuse and criminal activity. If this is the case, then treatment for substance abuse should have an impact on criminal activity.

Selection of the Therapeutic Community Model

The therapeutic community model was selected because it has been identified as the most effective modality with substance abusers (DeLeon, Holland, and Rosenthal, 1972; Simpson, 1979, 1980). Findings from community-based therapeutic communities show that successful outcomes are related to at least two major factors. First, reductions in crime and substance abuse, and increased employment are positively related to time-in-treatment. Second, greater success was achieved with clients referred by the courts with clear sanctions for program noncompliance. This latter factor is significant because of the high drop out rates that are observed within the first three months following admission to the therapeutic community.

Both of these findings were used as rationals for the development of a prison-based therapeutic community. The therapeutic community is an attractive alternative for inmates to life in the general population of the prison for several reasons. First, the treatment unit is isolated from the general population, a situation which can create both physical and psychological safety. Second, the clinical staff are ex-offenders and/or recovering addicts. This creates a situation in which the clients can more easily identify with the staff than might otherwise be possible. Third, individuals in treatment are offered a variety of incentives for their participation. These include assistance in preparing for parole board appearances, opportunities for better jobs in the prison, and help in networking with community-based treatment services upon release. Fourth, the therapeutic community is an ideal treatment model for use in the prison setting because clients are likely to stay beyond the three month drop-out point because of its desirability aspects.

Wexler, Lipton and Foster (1983) conducted a study to examine the effectiveness of a prison-based therapeutic community (Stay 'N Out), Arthur Kill Correctional Facility, Staten Island, New York). The following comparison groups were studied: 1) therapeutic community participants; 2) therapeutic community candidates who were never admitted (for treatment reasons); 3) prisoners in other substance abuse treatment programs; and 4) prisoners receiving no treatment. The outcome variables for males and females included positive parole discharge, time to first arrest, and total number of arrests. The researched hypothesized that: 1) outcomes on parole would be positively related to level of treatment intensity (TC, counseling, no treatment); and 2) time-in-treatment would be positively related to outcomes for the therapeutic community participants. No predictions for time-in-treatment were made for the counseling or no treatment groups.

Males and females from the therapeutic community had significantly lower arrest rates than those in all other forms of treatment or non-treatment (see Table 1). In addition, time in treatment for therapeutic community males related positively to time to first arrest (see Figure 1). Further, 9 to 12 months in therapeutic community appears to yield the most positive parole discharge impact for females in the therapeutic community (see Figures 2 & 3).

The Key Program is a therapeutic community for substance abusers housed in a correctional institution.

The Program presents a positive family environment, where residents live and work together, developing a sense of responsibility, caring and cohesiveness.

Our staff represent the "Parents" or "Authority Figures" with a chain of command that must be followed in a no-nonsense, but nurturing setting.

Residents move up the ladder by following the rules, presenting positive attitudes, participating in all program and group activities, including the willingness to do their best in all assigned job functions. In turn, but being more responsible, they earn more privileges and status in the community.

In developing criteria and interviewing procedures, The Key Program followed these assumptions: 1) perspective resident should have a history of cronic substance abuse; 2) in most cases the inmate should be a multiple offender (that's a person who gets out and cannot stay out) going through the cycle of addiction crime and incarceration; and 3) and after interviewing, had some realization that they have been living in a non win situation and needed to change.

Table 1

Parole Outcome Arrest

Males	Total N	% Arrested
TC Treatment	434	27.0
Milieu Treatment	573	34.6
Counseling Treatment	260	40.0
Young Treatment	205	53.7
No-Treatment	155	40.5
Chi Square		44.55
Probability		.0001
Females		
TC Treatment	246	17.9
Counseling Treatment	113	29.2
No-Treatment	38	23.7
Chi Square		5.95
Probability		.05

From Harry K. Wexler, Ph.D., Douglas S. Lipton, Ph.D., and Kenneth Foster, "Outcome Evaluation of a Prison Therapeutic Community for Substance Abuse Treatment Preliminary Results," paper presented at the American Society of Criminology, San Diego, California, November, 1985, page 11.

Figure1

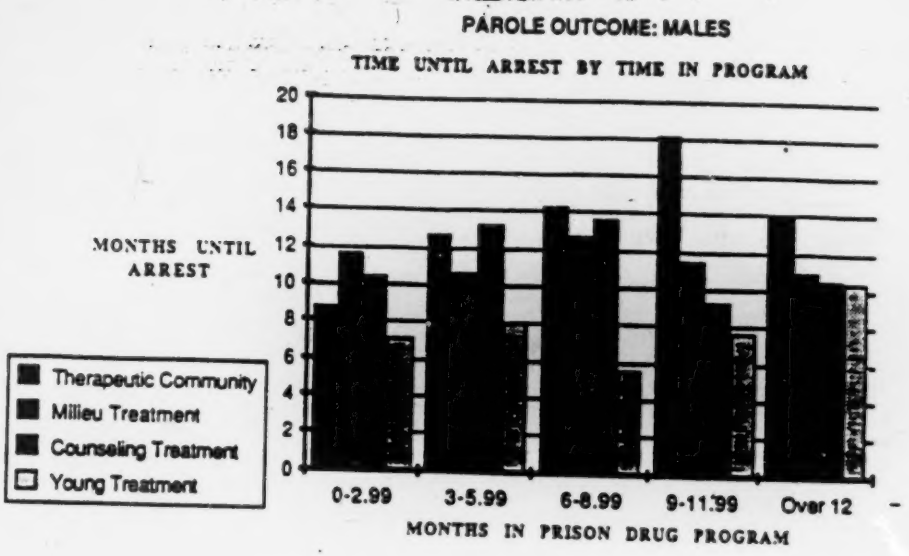


Figure2

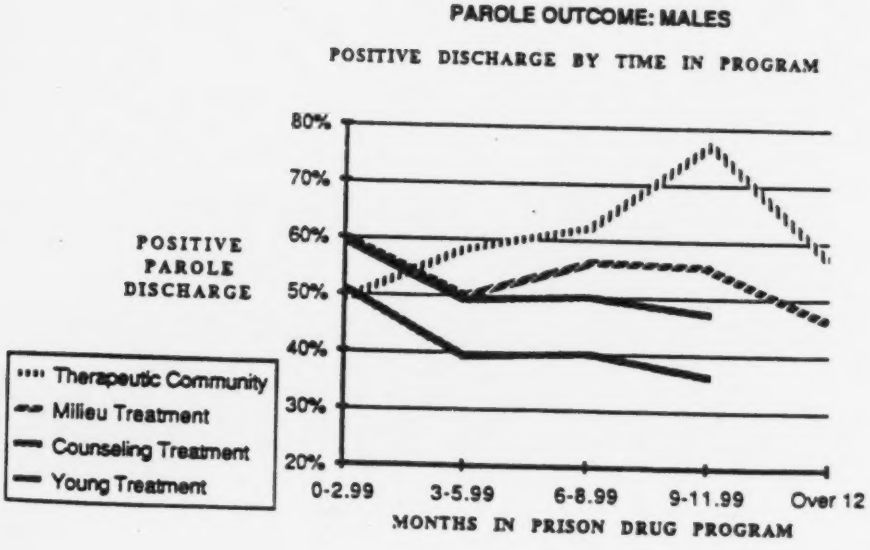
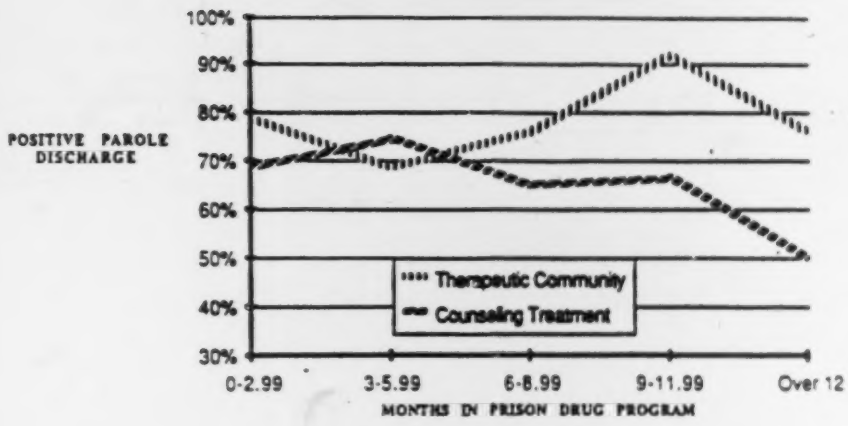


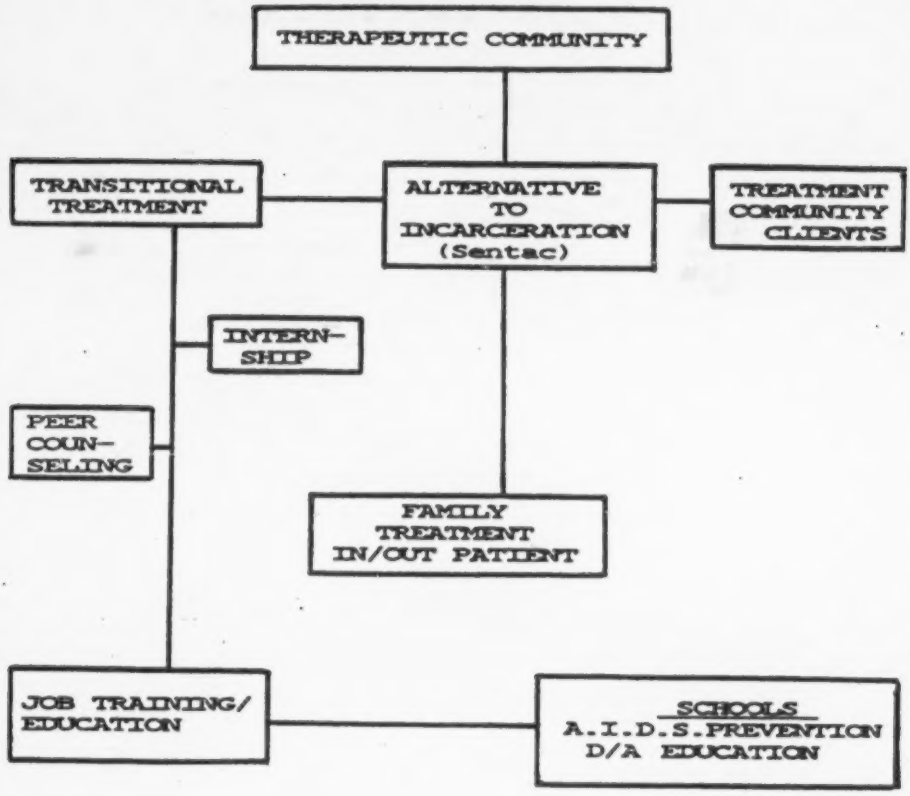
Figure 3

PAROLE OUTCOME: FEMALES

POSITIVE DISCHARGE BY TIME IN PROGRAM



THE KEY PROGRAM



THE Key
The Entrance
The Opportunity

A Therapeutic Community for Substance Abusers

Essential Elements Of The Therapeutic Community

The program is a segregated treatment unit within the prison that provides both psychological and physical safety. There are "cardinal" rules which will result in a resident being immediately discharged; drug possession, threats of violence or violence and sexual misconduct. There are several other sets of rules that must be adhered to by all residents or "family members". Any deviations from these rules will be addressed by staff, but it is the responsibility of each client to see that all family members develop prosocial values, honesty, responsibility and accountability. The residents have a system with grades or status or ranking one above another in a series from the Coordinator, at the top, to the Service Crew, at the bottom, and every one of the residents has a job function in this hierarchy. The use of this hierarchy is critical in the restructuring of the individuals life space.

The job functions are primarily used as clinical tools, not only is the resident expected to do his best in that particular job function, but might be moved when it is felt that he/she might be too comfortable in the position. There is a possibility that the resident can be put in a position of lower status to evaluate how well he/she can deal with that dynamic. Conceptually, uncomfortability illicits change.

If a client exhibits inappropriate behavior, whether it be in a job function or in a negative interaction with staff or clients, he/she may be given a learning experience. This is a method used to make the client aware that the behavior was deemed unacceptable. For example, if a client has not performed satisfactorily in a job function, and this particular client also has difficulty interacting with others in an appropriate manner, he may be told to write a composition on his lack of responsibility, and also be required to read and talk about this matter in front of the rest of the community. We believe that this is a two-tiered approach, not only dealing with teaching the resident the protestant work ethic, but might enable him/her in the future to feel more comfortable with his/her interaction with others.

What Makes The Key Program Unique?

Our schedule includes many of the traditional aspects of most therapeutic communities i.e., morning meeting, seminars, individual counseling, encounter group sessions and resident job functions by including a variety of groups, some are confrontational (encounter), where family members confront each other about their negative behaviors and attitudes.

The Program seeks a broader approach by including in its treatment model, Branch Groups, Transactional Analysis and Psychodrama.

Branch Group: a specialized dynamic where ten or more of the same residents meet twice weekly to share feelings, thoughts and attitudes; past and present. Here, residents share on an in-depth personal level inner-most feelings, form a bond of trust, identification, and understanding with his/her peers. This is not a confrontational group, but one that develops cohesiveness among the residents and is often closed by residents hugging one another, showign care and concern.

The object of the staff is "re-parenting" so residents regain positive values and skills that will enable them to deal with life on life's terms. The interventions used are:

Transactional Analysis: an analysis of the roles one plays in interaction to others i.e., parent, adult and child, and:

Psychodrama: the reliving and exploration of an unresolved personal conflict and bringing them to a closure facilitated by members of the group.

Addicts either never had or lost the skills and values that normal society takes for granted. Emotionally, they were stagnated and they lost all sense of responsibility. During their addiction they had no scruples or principles, and their feelings were suppressed. Basically, they had no idea of how to cope other than through their narcotic abuse.

What we must understand, people with long term criminality and substance abuse have difficulty being rehabilitated but we can habilitate them. Rehabilitation seeks to help unfortunates get back to where they were before, morality, productivity etc. (back on track again).

We are dealing with a segment of societies dregs that have never been given the opportunity to learn what it is like to be parented with a healthy sense of morals, values and responsibility through that process develop prosocial values.

It is The Key's philosophy to provide that dynamic i.e., habilitate, to teach the people in treatment those value systems that were not afforded to them in earlier life. This is a true concept of a community, they are being nurtured to accept responsibility for themselves and their actions, so that they may become useful and productive members of society.

Seminar

There are seminars on various topics ranging from Communication Skills to A.I.D.S. Prevention. Also, there is community and relationship training.

In the dictionary, seminar is defined as a small class for advanced study and research. We, here at The Key Program take this to another level. With such a variety of residents who are knowledgeable in specialized skills, seminars are afforded on such topics as C.P.R., communication concepts and thresholds (a decision making process). A resident may also be assigned to give a seminar as a "learning experience"; for example, a resident may have been irresponsible to his/her job function, he/she may then be scheduled to give a seminar on responsibility, as he/she sees it. Seminars are utilized for mock speaking, where resident has an opportunity to present himself as if he were on a speaking engagement representing The Key Program. Mock parole board hearings and job interviews are simulated and a resident receives feedback on his presentation.

Audio and video tapes are a component of seminars dealing with such subjects as self-esteem, self-awareness and self-actualization.

Guests are also invited into our environment to give seminars on individual topics such as A.I.D.S., intimacy, and the understanding of self and others as they cope with the various aspects of change.

The Clinical Staff also gives idepth seminars on a wide variety of topics related to "Recovery", such as addiction, treatment, therapeutic communities and lifestyles. Time is allotted for questions and answers, and residents can express their view points on the subject material.

Seminars here at The Key are a unique and rewarding experience. They are informative and a relevant component in helping a resident become a well rounded individual.

What Special Components Does The Key Program Provide?

A.I.D.S. Training

The Key has developed a module about the prevention and spread of the deadly H.I.V. virus and A.I.D.S.. Some of our residents have received specialized training in this area from professionals, and are currently going throughout the institution presenting lectures on this formidable topic. We have plans to expand this educational process so that in the future we may reach more individuals in the high risk category.

We must reduce the contagion by treating addicts, the I.V. drug user in the main vector for spreading A.I.D.S. amonth the heterosexual population.

In Dr. James Inciardi, Ph.D. latest research under a grant supported by the National Institute of Drug Abuse in findings that will be published in Contemporary Drug Problems, which alludes to the fact that drug abuse particularly crack is bringing about the destruction of our youth.

Adolescent females are exchanging sex for crack, either by prostituting for money to purchase crack and sex for crack exchanges were almost as prodominent as the monetary exchange. Through I.V. drug use or sexual interactions their is emanate danger of both contracting and spreading A.I.D.S. The average age of the adolescent female was 15 years, and some cases the females were as young as 10 years of age. The Washington Post recently reported that D.C. is twice above the national average in infant mortality stemming from A.I.D.S. via drug abuse or indiscriminate sex.

Women's Therapeutic Community

The Key Program is embarking on developing a therapeutic community in an adjoined pod. We recognize that incarcerated women have special needs as they deal with low self-esteem, powerlessness, responsibility, guilt and self-actualization.

Education and Training

It is our contention, in order to prevent the scourge of addiction, one must educate. As a result, The Key Counseling Staff and Administration, has implemented such programs by making on site and in-house presentations to adolescents, state officials, law enforcement, judiciary and correctional staff and are providing other services to independant treatment programs in Delaware. As an adjunct, the residents in treatment since the inception of the program, have been trained in group process skills. They are facilitating as peer counselors in group therapy sessions and servicing other inmates who are not directly involved in The Key Program treatment. All the above services are provided on a probono basis.

Captain Key

The residents have also recognized the need to educate children at an early age about drug and alcohol abuse. They developed a fictional character named, "Captain Key", who represents all things good and right. This comic book has been distributed to various schools in the immediate area. The State of Delaware has also entertained the thought of using this in their system.

Recovery

As a support system, we have weekly meeting of A.A. or N.A. 12-Step Programs. It is our contention that these programs are invaluable to the recovering persons and will be most helpful as they enter society.

Research and Follow Up

At this juncture, The Key Program has no graduates, as we have only been operational since July 21, 1988. Residents complete the program in approximately 18 months. We hope our first group of about 9 residents will be moving to another housing unit outside the prison shortly.

We are in a precarious position as statistics show clients do best in a prison-based therapeutic community from 9 - 12 months. If they remain in treatment any longer they tend to regress. If we can develop rapid movement in the time sequence mentioned above, it is possible that our statistical averages will be well above the normal means for such programs.

In 1988, Dr. James Inciardi, Ph.D., ad his research staff began preliminary procedures in interviewing inmates in the Delaware Correction System, including the residents in The Key Program. There will be a follow-up from their initial phase of treatment to their eventual integration into the community. At that time, there will be continual research statistics compiled on these clients.

The Key Program will work closely with the Parole Board and will orient those officers involved with our residents on parole. Supervised random urine tests will be taken on paroleds and should any test positive for mind and mood altering chemicals including alcohol, they will be expelled from the program and most likely be sent back to general population in the prison system.

A) The support that the Department of Correction can muster must be the foresight to look at continuity of treatment. As stated previously, inmates in prison-based therapeutic communities tend to regress if treatment is longer than 9 - 12 months without movement to a community based facility. Funds have not been allocated for this critical phase of treatment.

B) A segment of the inmate population needs specialized treatment.

C) Treatment models should be as atonomous as possible.

D) Training needs to be provided for the administrative and correctional staff.

E) Personnel from treatment programs need to have input in interviewing and selection of perspective correctional staff who might be assigned to the program or area.

F) Treatment personnel should be the primary evaluators for inmates entry into treatment and judgements accepted by administrative and correctional staff.

Summary

It appears that participation in a prison-based therapeutic community can lead to a reduction in the incidence of parole revications. If this is the case, then the selection of the therapeutic community as a treatment modality for substance abusers. The treatment modalities used in a therapeutic community appear to be powerful enough to get individuals to restructure their life to the point that pro-social thinking patterns dominate their perceptions of the world. The therapeutic community has been found to be the most effective treatment modality for substance abusers. If this is correct, then the prison-based therapeutic community, with continued community based treatment should help break the drug-crime connection.

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The CHAIRMAN. Next is Mr. Boyatt.

Mr. BOYATT. Thank you, Mr. Chairman. You will be happy to know that my statement is brief. Before getting to that, however, I notice that of all the ambassadorships you have listed here, you left out my ambassadorship to Upper Volta.

The CHAIRMAN. I apologize.

Mr. BOYATT. In the interest of international comity, I think we should correct that.

The CHAIRMAN. And in the interest of making sure the staff who did that, forgot that, we will see to it that they become ambassador to Upper Volta someday.

STATEMENT OF THOMAS D. BOYATT

Mr. BOYATT. In the historical reprise that we are undertaking here this morning, Mr. Chairman, we have heard and we will hear about successes: successes in Turkey, successes in Mexico, successes in Colombia, in which Diego and I participated. These successes have been very limited in space, and they have been limited in time. I would not want them to obscure what is my bottom-line judgment; namely, that an international narcotics strategy, which should have a lot more resources devoted to it than have been devoted to it in the past, will not solve the problem. As long as the demand exists in the United States and the profits are so enormous, those who seek to send drugs to the United States will find a way to do so because they have the resources to make that possible.

I would submit that the production figures which are not in dollars, they are in absolute units, in spite of everything that we have done, are going up in all three drugs, in all three cases.

While I agree with Ambassador Asencio that a lot more money should be devoted on the international side, and there are a lot of creative things that we can do and that we have done in the past, we should not delude ourselves that success in that area will solve the problem. It will not. The opium production will shift from Turkey, as it has, to Mexico, to the Golden Triangle, to Pakistan, to Afghanistan, wherever the international fabric is weakest. And the same applies to the other drugs.

I have some specific things I would like to talk about, Mr. Chairman, like the programs in Colombia and the extradition treaty, the history there, but I will leave that for the questions.

Thank you.

The CHAIRMAN. Thank you, gentlemen.

I would like to ask the staff, we will operate under a 10-minute rule so we can begin to rotate the questions here.

Let me begin with you, Mr. Ambassador, first. One of the things that we are hearing more about today, out of genuine belief that it will work and also out of a sense of frustration, is the increased use of the military in foreign countries, not the increased use of the military for purposes of interdicting as it arrives at the U.S. borders but in foreign countries.

Mr. BOYATT. U.S. military?

The CHAIRMAN. U.S. military.

In your view, should we be using the U.S. military in international drugs efforts? If so, under what circumstances would you see

their use being effective and permissible, not in terms of American constitutional law but in terms of the impact upon the foreign governments involved.

Mr. BOYATT. Well, a couple of points, Mr. Chairman. First of all, whether we think it is a good idea or not, it will be impossible to use the U.S. military in foreign areas unless we are invited to do so by host governments, unless we are prepared to invade Colombia and Mexico and some of the other countries; and, of course, we are not.

The CHAIRMAN. I want to point out to you, although I believe we should not at this point use the U.S. military in foreign areas, that if this problem persists over the next 4, 6, 8 years, you will in fact see a rising tide of opinion among the public and on the part of legislators, that is no different than if it was the Libyans building a chemical plant that could be used for chemical warfare.

Mr. BOYATT. Well, I think, apart from that, from the political problem and the diplomatic problem, there is a very real problem of capability. Are they trained to do that? Would military people recognize a cocaine lab if they saw one. And how close would they have to be to be able to do that? Are they going to go around shooting civilians and, if so, which civilians?

I mean, it is a nightmarish scenario. I would hope that we can do what needs to be done on the suppression side at or near the source overseas through cooperative efforts, bilateral effects involving police officials and development officials and avoid direct military intervention. I think that would be a disaster.

The CHAIRMAN. Both you and your colleague were in Colombia. I ask either or both of you to respond to this. How much has the Colombian Government, Colombian police force, Colombian military changed since the days when you were there, when you first arrived? How much has it changed in terms of the impact that drug cartels have upon the ability of these public institutions to function?

Mr. ASENCIO. Let me allude to something I mentioned earlier. That is that right now the Colombian military are fighting a two-front war. They have a very extensive insurgency on their hands in the society that has been polarized politically for several decades and where there are large stretches of territory that are not under control of the government and that in fact are patrolled by guerrilla insurgency forces. At the same time, they are also involved in, I think, a concern over equally large sizes of territory that are in the controls of traffickers. For a while it appeared very evident that they were facing situations where the traffickers and the terrorist guerrillas were joining forces and where traffickers were paying taxes to clandestine insurgent forces, were doing some of their dirty work, were becoming elements of the same problem.

In the past year this has changed substantially whereas the appetite of the clandestine organizations for money has increased and they began to squeeze the traffickers, the traffickers have now swung to the right and may in fact be cooperating with paramilitary or irregular forces with some people considering whether there is not some sort of, at least at low levels, involvement with official law enforcement or military elements in drive against areas controlled by the left.

The CHAIRMAN. Yes, but they are not also trading in their cocaine in the process, I assume the payoff for that cooperation is being let alone?

Mr. ASENCIO. This is what concerns me, that as a result of this at least putative cooperation there would be less of a tendency to target traffickers as they become allies in a fight against terrorists.

The CHAIRMAN. If tomorrow the coca crop of Colombia were eradicated, what impact would that have on the economy of Colombia? Could they survive economically?

Mr. ASENCIO. The economy of Colombia seems to be in excellent shape. It is a society that has traditionally been governed by very conservative economists. They do not have the same debt structure that a lot of their neighbors do. They suffer from the syndrome of everybody being classed in the same boat in the Southern Hemisphere. But I was just in Cartagena, and the place is booming. It cannot be all drug money.

The rest of the economic situation seems to be quite positive.

Mr. BOYATT. I do not think the question is would Colombia survive. I think they would. I do not think much of that money is spent there.

The other question is, what kind of an impact would it have on southern Florida, what kind of an impact would it have in Switzerland, which is where the liquidity is, of the drug money.

Let me go back to your first question about what has happened with the government. I think that the Federal Government of Colombia is much more convinced today than it was in my day and Diego's day, if I may presume, that the drug problem is a real problem for Colombia, as opposed to a problem for the United States. And the watershed in that was when the justice minister was killed by the druggers. I do not think until that point we had been able to make the argument effectively enough that this was first and foremost a Colombian problem. Once that happened, the Government of Colombia agreed to the spraying of marijuana. And if you will see that steep dip in the production of marijuana worldwide in 1983 to 1984 along in there, that coincides exactly in time with the Colombian spraying program, which was based on a lot what had gone before but began after the assassination, I believe, of that justice minister.

You also see that it started back up.

The point I am trying to make is that I think the government is more seized with the problem and sees this as a threat to the Colombian fabric today than it was previously.

The CHAIRMAN. Let me ask you, Ambassador Dillon. Listening to what your colleagues who were in Colombia have to say, how do you respond to the assertion that the only reason the process worked in Turkey was because of the centralization of the production, the control, the centralized government, and that country being an ally that wished to cooperate, as opposed to other countries particularly in South America, where there has been, or there is, as there was even in Turkey, a bias that suggests that we are not going to let the United States tell us what to do, where the economy is impacted upon by the crop in a broader way, where the social fabric is hit, where in fact there is and has been evidence of

extremely rooted cartels that have wide networks of influence and where there are serious insurgencies? Can they be comparable?

Mr. DILLON. I do not think they are really comparable. And the point that Turkey has an effective central government is obviously the central point. I would not even rely too heavily on the argument, even though I realize I mentioned it, but I would not rely too heavily on the argument that, well, they are allies and therefore have a stake in their relationships with us.

In Turkey essentially the government had to decide for all kinds of reasons that it wanted to control this trade. The relationship with the United States was only part of it.

The reason I went through my little story, I told about the eradication ban or the ban on poppy planting and its overturn and the subsequent development, was really to high-light that you have got to be politically sensitive. I speak for the Middle East rather than Latin America, but I am sure it is the same. If the narcotics issue in any way becomes simply, let us say, a Turkish-American issue or becomes a bilateral issue between two countries, you have lost a great deal immediately. So, I think one has to be—somehow we as Americans I guess sometimes assume that people will not do the right thing unless we tell them to. We have to be very careful about that.

Another difference I detect certainly between Turkey and Colombia, perhaps Mexico as well, is that even though the Turkish criminal families are of some significance in Turkey, they do not play any role in the political scene. Compared to the other places we are talking about, they are pretty small staff. The traffickers really do not have national allies. They are recognized as criminals. It is a problem there that is confined to the criminal classes.

I would be very hesitant, as I said before, of making generalizations from the Turkish experience. The thing has worked with Turkey. I am not sure that proves anything about how to deal with other countries except to be sensitive to the nationalistic issue.

The CHAIRMAN. Thank you very much. My time is up. Senator D'Amato.

Senator D'AMATO. Thank you, Mr. Chairman.

Ambassador Asencio, you were provocative, and you wanted to be; that is good. So, let me for the record say that I certainly do not ascribe to the theory that demand reduction should be an excuse for abandoning or not undertaking an international effort. I want that to be clear.

Mr. ASENCIO. I was suggesting that our interlocutors in the South could use it as an excuse themselves, sir.

Senator D'AMATO. They do, they do. But do you know something? The fact of the matter is that we are not going to be able to introduce troops into these countries. Those countries would not permit it. The American people would not permit it, notwithstanding if you were to do it, you still could not, as Senator Biden's facts and information are quite correct, make the kind of impact that would keep drugs from coming into this country. And if you could keep drugs from coming into this country, so long as you have a demand, they will manufacture it synthetically, thus creating better cocaine and more powerful cocaine, more addictive crack, more addictive heroin, all this in the United States.

I am not being an apologist for their lack of action. As a matter of fact I said initially that in the 1970's and 1980's implementing U.S. international drug policy was never a priority. Question: was it really a priority? And I ask any one of you.

Mr. ASENCIO. I would say it was not.

Mr. BOYATT. I would agree.

Senator D'AMATO. Ambassador Jova, was it a priority?

Mr. JOVA. They certainly made me feel that it was a priority when I was named to Mexico.

Senator D'AMATO. Mr. Dillon, was it a priority?

Mr. DILLON. Well, in the 1970's in Turkey it was a priority.

Senator D'AMATO. OK. We are pointing out one area. I would have to also agree and say that where you have a strong central government that is backed up and has the ability, whether it is through force of law or military power, to bring about its desired results, you have the opportunity of doing something.

Now let us speak of Colombia. Mr. Ambassador, do you think the central government has the ability today to curtail, to stop, or to eliminate drug production and the drug business in Colombia?

Mr. ASENCIO. Yes; I think appropriately supported by us, they would have that capability.

Senator D'AMATO. What would that mean. Would it mean almost a civil war?

Mr. ASENCIO. No, I do not think so. I think it would mean we would have to pick up part of the costs of the use of their own forces. I have never advocated the use of U.S. troops. I think there is enough manpower there for anything you want to do.

My recollection, for instance, at the time I was there they put the army, air force, and navy at my disposal if I paid the gas bill, the rations, and supplied them with specialized equipment.

Senator D'AMATO. Let me ask you this, or any one of you. Ambassador Boyatt, do you think that narcotics corruption has reached the level where Colombia and/or other governments, as a result of the corruption of high-level officials and/or the army or various army officials, do not have the ability to undertake the kind of war that Ambassador Asencio has indicated they might?

Mr. BOYATT. I do not think so. I have to say that I have been out of the loop since 1984.

Senator D'AMATO. Is it conceivable that the corruption has reached that level where they would not have the ability to undertake that kind of battle?

Mr. BOYATT. I read what has happened recently and it seems to me that the corruption has not reached the federal level, and it is not significantly affected at least the top levels of the army. I mean, they recently undertook an action, a military action against a set of cocaine labs and clobbered them.

Senator D'AMATO. You really believe that?

Mr. BOYATT. Yes, I really believe that.

Senator D'AMATO. In Colombia?

Mr. BOYATT. Let me tell you what else I believe, Senator.

Senator D'AMATO. OK.

Mr. BOYATT. I agree with Diego. I think that Colombia, properly supported, has the ability to at least suppress significantly what is going on. But I also believe that if that is successful, the same type

of activities are going to appear in outer Paraguay or upper Bolivia or Brazil in the jungle.

Mr. ASENCIO. Brazil as well.

Senator D'AMATO. What about areas that we have little or no control?

Mr. BOYATT. Well, that is eventually where it is going to go.

Senator D'AMATO. Iran, Pakistan——

Mr. BOYATT. That is the historic trend. That is exactly what happens.

Senator D'AMATO. Let me ask you this: what should U.S. policy be? Let us get to it as a policy question, because we have this continually, Senator Biden and myself, when we get these certifications as to whether or not countries are cooperating. What should our policy be toward narcotics-related corruption of foreign officials or the failure of foreign governments to undertake a meaningful effort?

By the way, I agree that I think we have done very, very little as it relates to making this an international effort. And I do not think you just have demand reduction. This is a very real, front-burner issue. You have good law enforcement here. You have real education and prevention here.

Let me ask you again: what should U.S. policy be toward narcotics-related corruption of foreign officials or governments? What should our policy be?

Mr. ASENCIO. It has to be combatted at all levels, no question about it. It is something that cannot be tolerated. My point——

Senator D'AMATO. Does that go to the extent of maybe even creating a diplomatic rupture if need be to make the point?

Mr. BOYATT. Breaking relations.

Mr. ASENCIO. Absolutely.

Mr. BOYATT. Yes, I agree.

Senator D'AMATO. Ambassador Jova, what do you say?

Mr. JOVA. In regard to Mexico, I think we must be very careful on measures such as decertification, et cetera. It is good that that threat and that possibility exists but to actually do it could disrupt a very complicated and sensitive relationship.

Senator D'AMATO. Well then how do they know when we are serious? How do we get a message through that we are serious about this?

Mr. JOVA. Well, I think the fact that that possibility exists is a good thing. And certainly we have many, many other ways of making our seriousness known.

Senator D'AMATO. Ambassador Dillon?

Mr. DILLON. I agree that when you have got high-level corruption of senior government officials involved, you have got to be drastic.

Senator D'AMATO. DEA comes in, for example, and says general so-and-so, and so-and-so are trafficking and protecting the drug operations in certain provinces. We will not even get specific. We will not say it is Mexico, but we use it as an example. It could be anyplace. What do we do? Do we put this on the front burner and expect the government to do something as it relates to——

Mr. BOYATT. I think if that is a country with which we have an ongoing dialogue on narcotics issues, we try to get the general removed.

Mr. ASENCIO. And I think we have all had cases like that.

Mr. BOYATT. I mean, that has happened.

Senator D'AMATO. And if they refuse to do it, to undertake the kind of action necessary to deal with that?

Mr. BOYATT. You know, it is hard to judge that in advance without knowing the specifics.

Senator D'AMATO. But you are saying that you have got to get tough?

Mr. BOYATT. You have got to get tough.

Senator D'AMATO. It has got to be a policy that we apply across the board.

Mr. BOYATT. And you have got to be prepared to get tough and not have an instant, immediate reaction, take the case of Panama; we have gotten tough, to the extent that I understand the policy.

Senator D'AMATO. Yes, but we indict them without the ability to effectuate a meaningful policy of removal; it is silly.

Mr. BOYATT. And we are escrowing the canal receipts, and we have withdrawn dollars, which is the vehicle of circulation in that country. We are squeezing, seriously.

Senator D'AMATO. Mr. Chairman, our time is rapidly approaching, and I know we have our colleagues who want to ask some questions. I will waive any more time that I have. I thank our distinguished panel for participating today.

The CHAIRMAN. Senator Graham.

OPENING STATEMENT OF HON. BOB GRAHAM, A U.S. SENATOR FROM THE STATE OF FLORIDA

Senator GRAHAM. Thank you, Mr. Chairman.

I would like to express my appreciation to you for scheduling this series of hearings on this extremely important topic. If the caliber of contribution in the future is as it has been set by this first panel, we will be very fortunate students with excellent teachers.

Accepting what has been said and joining in the sense of fervor of Senator D'Amato, it does seem to me that the United States tends to approach this issue with a certain degree of arrogance and superiority. I could recount briefly a meeting that I had last summer in Caracas with the man who is now the President of Venezuela and a former President of Colombia in which they were discussing the seriousness of this issue as a domestic problem in those two countries and the desire to establish an affirmative, respectful, and effective collaboration with the United States and among the countries of Latin America to deal with this issue. I believe they were sincere in those statements.

How do you suggest that the United States ought to go about the process of probing the opportunities for an expanded hemispheric or international collaborative strategy to deal with this issue? How do we get away from the "us versus them" and toward the common "we" in dealing with this issue?

Mr. ASENCIO. Well, they do have to be collaborative joint programs. I think a unilateral program is insane on the face of it. It just cannot happen. I mean, you could try it, but it causes enormous problems and does not solve your situation.

You in fact have to enlist the support of these governments. You know, building a little bit on our dialogue with Senator D'Amato, I would like to iterate that there are elements in these societies who are very, very concerned about this problem and have cooperated with us usefully and have made enormous efforts at great sacrifice. So, I have never felt that this was something where, you know, the Lone Ranger had to come in from outside. My basic thesis has always been that a half-decent, honest cop is better than 100 superflies. And they are there. We can mobilize them. We can help them. We can support them. But we have to do it jointly with these societies. We cannot come in and, you mentioned the word, arrogantly decide what their particular role is going to be in this particular effort.

Senator GRAHAM. I guess my question is really more of an operational one. You have described the destination that I think we should be striving to reach. We obviously are not there. How do we get from where we are to that destination?

Mr. BOYATT. I think a useful first step, certainly implicit in what Senator D'Amato said, would be to authorize and appropriate a very significant amount of money, a public signal in this country and to the rest of the world that we are serious about the problem. It was really very difficult in our day in Colombia when Diego and I were there to convince the Colombians that we were serious, given the resources that we had at our disposal. I think they sensed that we were trying to shame them into doing something which at that time they saw as a gringo problem and not a problem for themselves. That has changed.

The dialogue with Colombia has been sustained for over a decade now. The cumulative effect of the resources applied and the joint efforts made has been to achieve that collaborative status of which you speak, Senator Graham. But it is awfully hard to get there overnight, and it is awfully hard to get there if you are only going to by means of exhortation.

Mr. ASENCIO. Let me give you a specific case history. I received instructions similar to those that Ambassador Jova got when he went to Mexico. Narcotics was the big thing. This was what I was supposed to concentrate on. Go down there and get them.

I was all over the Colombian Government, selling the program. I recall I was called in by the foreign minister. He said there is a U.S. textile negotiating team in town and we are having a hard time arriving at an agreement. I need 100,000 wool suits. You give me 100,000 wool suits, I will give you a narcotics agreement.

I thought that this sounded like, you know, a pretty good deal. I called the negotiating team in. They had representatives of the State Department, of the Commerce Department, of the labor unions involved. And I said, victory, you know, look at this. I have these strong instructions, let us go get them.

The State Department man danced this way. The Commerce Department man danced the other way. The labor man finally took me aside and said: hey, you know, narcotics are not my responsibility. I mean, you know, I am here to negotiate textiles, and unless you get instructions from my boss, it is not going to happen.

I sent a cable to the State Department and got absolutely nowhere. We eventually did get an agreement with the Colombian

Government, but it had absolutely nothing to do with a target of opportunity that appeared naturally. And these targets will appear.

What I am saying is that I think this would give you an indication of the lip service versus the practicality of doing things. There are any number of ways to approach these societies. That is not a problem.

Senator D'AMATO. Mr. Ambassador, if I might, when did that take place? About what year?

Mr. ASENCIO. This would have been 1977.

Senator D'AMATO. What a sad commentary.

Senator GRAHAM. Let me continue, to try to get your best assessment of how we go about operationalizing the desire for greater cooperation.

A couple of suggestions that have been made, one is that under United Nations auspices some international force be established which could deal across national boundaries on this issue. Another suggestion is that the President should call for a summit of the countries in this hemisphere to move toward a political strategy on drugs.

Do you have any comment on those two suggestions? Do they stimulate any other ideas as to how we could move to operationalize greater international cooperation?

Mr. ASENCIO. I think international forces would never be acceptable to the bulk of the countries to the south. And I am not really sure they are needed. As I said, there is manpower there, you know, waiting for our support. I am not really sure that that is absolutely essential.

Also, when you are talking about the quantities of money involved in this sort of stuff, I do not think international forces are immune from corruption either.

The conference idea, the getting of the sides together, I think could be important and would be interesting. What I would suggest, and maybe Ambassador Jova could address this question, I know the OAS has been looking for a role. They do have a narcotics adviser and some very active programs. Here you have an international organization that has fallen on grim days that was originally designed as an organization in which the countries of the hemisphere would cooperate together on common problems. As it became a forum for attacks against U.S. policy, we tended to withdraw our support and our participation.

There you have an instrument, appropriately energized and with more interest on our part, that could perhaps accomplish this and serve as the venue for such a meeting and such a joint or common approach.

Mr. JOVA. That narcotics program in the OAS, which was developed relatively recently is alive and well and certainly an organization that is having very difficult problems in other areas, I think this is one bright spot, that and the Inter-American Human Rights Commission. They have our support, but I think they should have even greater support. This is, as Diego said, a good possibility or a good instrument. That, of course, should only be one thing. We have to do a great deal more in encouraging them to come up with their solutions. I have cited two cases where this was successful.

I think that we should also be careful to publicize all—whenever they accomplish something positive and something good, give them some credit. That is a useful device to get their collaboration.

Certainly Mexico has done much more than we are apt to give them credit for. They have lost a great many of their military and their drug agents have lost their lives, and this is forgotten.

I go back and say again that we have to deal with them in the context of an overall complicated, sensitive, and important relationship. I hope that that is what we are doing. Certainly on the Mexican side there is more awareness that it is a Mexican problem now, too, not only a United States problem.

Senator GRAHAM. Mr. Chairman, I see my time is up.

The CHAIRMAN. Senator Wilson.

OPENING STATEMENT OF HON. PETE WILSON, A U.S. SENATOR FROM THE STATE OF CALIFORNIA

Senator WILSON. Thank you, Mr. Chairman.

Let me pursue a little further the line of questioning that Senator D'Amato began. I would begin by saying to my friend, Ambassador Jova, that I do not think that anybody on this panel has forgotten the high toll in human life paid in particular by the Mexican army. Hundreds have lost their lives. And there are honest law enforcement personnel in Mexico. The tragedy is that the corrupt officials have been clearly unmoved by the sacrifice of those hundreds. They do not care enough to be dissuaded from trafficking or assisting those that do traffic.

We have got a new administration there. If we were going to determine whether or not to vote up or down on decertification or certification on the basis of the final year of the De La Madrid administration, I would sadly but without hesitation vote against certification. It is not that I am persuaded that this vote would produce a sea change any more than it did last year. It is unhappily a fact, though, that we are obliged, I think, to abide by U.S. law. Furthermore, we do not want to make a mockery of the law. Senator D'Amato was seeking practical ways to exert influence, to bring about change. I heard both Ambassador Asencio and Ambassador Boyatt say you have got to get tough, you have got to really squeeze.

Let me just ask the two of you, since you spent collectively 6 years there, and one followed the other through a change of administration. You obviously do not want to take unilateral action. Are there times when you feel, however, that the Government has been so thoroughly incapacitated that you are required to take no action, or at least no meaningful action?

Mr. BOYATT. The U.S. Government or the Colombian Government?

Senator WILSON. The United States. In other words, if the country that is, in the language of the statute, a drug-producing nation, has become involuntarily caught up in the thrall of the traffickers, as is often said to be the case with some of the drug-producing nations, is it then realistic to say that we cannot take unilateral action? Are we almost left with no alternative?

Mr. ASENCIO. I certainly did not find that situation during my time there. I cannot think of an instance when one could consider the Colombian Government to be under the control of traffickers. Certainly corruption is a problem. Certainly they had a number of congressmen who were under that cloud of suspicion with regard to their financial support——

Senator WILSON. Let me interrupt you, sir. My point was not that the government itself was corrupt. What I was thinking about in terms of Colombia had to do with the incredibly high toll that has been taken not just upon the army or upon law enforcement but upon judges, upon ministers, upon the minister of justice. I cannot think of a country that has been so openly assaulted by drug traffickers. So, what I am getting at is a situation where they have not been corrupted but where they have been quite understandably intimidated or incapacitated from taking action.

Mr. BOYATT. I think that to some degree that has happened in the Colombian judiciary. Half the supreme court was assassinated, along with maybe half the staff. The assassination of judges is widespread. In fact, I would argue our extradition treaty, which Diego and I worked very hard over those 6 years of which you speak, and this eventually resulted in a signed treaty, was made inoperative by the mafiosi, by the narcos, by this attack on the supreme court. Which gives you a good idea of what you are dealing with in terms of violence.

I should point out, by the way, that their agents there were a left-wing guerrilla group, the M–19. The narcos paid for it, the M–19 carried it out.

I think this is a fair statement, and you would want to check it with someone that is a lot closer to Colombia now than I am. But I think it is a fair statement to say that the Colombian judiciary has been paralyzed. It is not a fair statement to say that the Government of Colombia has. At the political level, and in military circles, they are still very much in the fight, and they are fighting very hard.

Mr. ASENCIO. I think for clarification purposes, though, it should be noted that the M–19 captured the supreme court of Colombia. In dislodging them from that position, they got wiped out. The court got wiped out. The building was burned down. And I think they got several dozen innocent bystanders also, which I think would show a certain amount of toughness in this regard.

There is no question that the Colombian judiciary has been intimidated. However, I would say that if you are talking about unilateral intervention, one could conceive of this being the case with regard to, say, a pirate society, one where in fact the traffickers are in control of the government. I would think in those societies that are troubled our course would be clear, and that is to increase our support.

I would think, for instance, you, Senator, alluded to Mexico. I followed your positions on this, and I agree with you in many respects. But at the same time, if you consider that our budget in Mexico at the time we were considering decertification was around $14 or $15 million, that budget number is a joke. It is not indicative of serious purpose on our part. I think one has to compare that situation with what we were actually doing there.

Senator WILSON. Well, I would agree with you, although my understanding of that situation is that the 14 or 15 was almost exclusively on the eradication program and that the inhibitor to our spending more was not a reluctance on our part. Now, there can be no argument made against a convincing commitment being made by this government. Candidly, I think that Congress has not yet delivered on our obligation. We have enacted legislation, good legislation, legislation that has the potential to be, I think, very useful but only if it is adequately funded. And we have not adequately funded it. We have funded it at about one-third the actual requirement. There is a bill introduced, Senator Moynihan's S. 26, which is a supplemental appropriation effort to make good on that commitment so that we do not stand rightly adjudged of rank hypocrisy in having produced a useful bill without funding it.

So there can be no argument on that score. I have berated my own administration rather explicitly and repeatedly for not making enough progress. But the blame is sufficient to go around.

We in Congress until 1986, with a few happy notable exceptions, had not exhibited any great sensitivity to the problem either. It was when the public got out and led that Congress followed.

What I think we are now facing is the necessity to figure out exactly how we can seriously make a difference. Having watched the Colombian situation, I was absolutely appalled by the incredible assault upon the government there, the assassination of half of the justices.

The question I think really comes to this: when you are in a situation of that kind, when the officials have tried in good faith to deal with the problem, where they have found themselves really through no fault of their own to be in a situation where they cannot adequately confront and deal with it, are we not then compelled to at the very least entertain the possibility of unilateral action which would be a last resort, something that we would not do if we were instead able to deal with a government not only willing but capable of exerting an adequate law enforcement effort?

The question is not should they be decertified as not making a sufficient effort. The question is, ought we not to be making a greater effort? And if it means more dollars, fine. But if it means something else, ought we not to not only confront that as a possibility, not just entertain it, but actually be fairly aggressive in offering help?

Mr. BOYATT. Yes; the short answer is yes.

Mr. ASENCIO. But not to include invasions by troops or unilateral actions of that sort. I really——

Mr. BOYATT. I thought you were talking about support.

Senator WILSON. I am talking about the entire panoply of measures that we could take, including armed intervention. Blow Torch was at the invitation of the Bolivian Government, a limited success, I would say. It was a little like weeding, since the weeds come back. But for the time being, I think it served a useful purpose.

I guess the delicate question, Mr. Chairman, that I am seeking guidance on is exactly at what point, and I suppose it is a matter of judgment call and discretion, do you say these are good people but they are no longer able to handle the problem, either for themselves or for our people?

Mr. ASENCIO. I would think that an invasion, what I gather from what you are saying, would be completely counterproductive. You would wind up having to fight the whole society.

Mr. BOYATT. I agree with that. I do not think that is an option.

I also agree with Senator D'Amato. I do not think it would be supported by the people of the United States. Now, maybe, Senator Biden, at some point in the future it will be, but——

The CHAIRMAN. Well, it was a question being asked here seriously by a very serious Senator who comes from a State who may itself be invaded if that premise were to be held in place. I think you former professionals and professionals disregard how strongly the American public feels.

The lead article by Fred Barnes of the New Republic setting out what should be done and should not be done, one of the things he suggests is going to the source. Let me just quote for you from that article. It says here that about 80 percent of the cocaine in the United States comes from Colombia. Drug tycoons are so powerful they assassinate law enforcement people with impunity. Stepped-up interdiction will not put them out of business, nor will reducing demand for crack here. It is not an exaggeration to say that drug lords are a threat to American national security and increasingly to Europe. The best approach would be a joint assault by American and Colombian forces, but if the Colombians will not go along, then the Bush administration must act unilaterally to take out the drug bosses. True, Colombia will complain. World opinion will be aghast. But there will be a side-effect, a nice side-effect. The world will be leery of crossing Bush.

Mr. BOYATT. I wonder if Mr. Barnes——

Mr. ASENCIO. I take that as rhetorical.

Mr. BOYATT [continuing]. Is prepared to lead such a group.

The CHAIRMAN. I have taken an extra minute of the Senator's time, and I will yield it back.

Senator WILSON. My time has expired, Mr. Chairman. But it is a serious question, seriously expressed. That view, I might say, is not limited to Mr. Barnes. If you were to travel through southern California and visit community meetings, you would hear it expressed by citizens frequently.

Mr. BOYATT. My serious advice is that we are a long way from that point, and there is an awful lot that can be done before that should even be considered, which has not been done.

Senator WILSON. Mr. Chairman, regrettably, at this point I have to leave. I think that this is a very, very important panel because of their experience. Having just pushed to the outer limit of what they think is acceptable and perhaps beyond, I hope we will be able to gain from panelists some very specific suggestions as to what they think that we ought to do, how you can be tough and effective short of the kind of armed intervention that has been suggested by Fred Barnes and so many of my own constituents.

The CHAIRMAN. I thank the Senator. I have one question and I will then yield.

Before the Senator leaves, I was being a little bit facetious. One of the problems that is growing is when we make a determination as to what constitutes effort and what constitutes results. For example, 25 percent of the marijuana crop in America, marijuana

consumed, is domestically produced, so we are told by DEA and others. A vast majority of it comes from the Senator's State. The largest cash crop in his State is marijuana. A lot of fields are being burned. It is all out in the national forests. But yet production keeps going up and up and up. The numbers go up. The tonnage goes up, out of California, not just out of Colombia, with all these efforts.

Now, anyone who would look at the numbers and say, OK, we are going to make a judgment. Judgment of success or failure is based upon whether or not there is a reduction in the amount; that is ultimately the test, I assume. And if there is not a reduced amount, does that mean that the President of the United States can federalize the National Guard in California or have the U.S. Army invade the national forests in California? It sounds bizarre, but it is a kind of hard test.

I find when I speak with foreigners, particularly those in drug-producing countries, I am always reminded of California these days. They say you are an organized society. You are the wealthiest society in the world. You have a fine centralized government and law-abiding citizens. And yet you cannot control marijuana production in your largest State. How can you expect us to meet a measure that you set when we do not have the facilities, capability, the economic base, nor the tradition that you have to deal with this subject?

It is kind of a hard one to answer.

Senator WILSON. Mr. Chairman, I hope that we will look specifically at that problem and spend a morning on that one. The people who have been involved in the task force think they are making progress. I am not sure whether they are or not. I commend the effort, but I——

The CHAIRMAN. I suspect we are making progress in the sense that there is more marijuana in fields being eradicated. There are more tons being eliminated. There are more people being captured. But the end result is they are becoming more sophisticated. Instead of doing it out in the open, they are growing it under trees now. It is a very hard test.

Senator WILSON. It is very sophisticated. I have been under the trees with Senator D'Amato, you are right.

The CHAIRMAN. I have not been under a tree with Senator D'Amato yet.

Senator WILSON. There are almost no limits to which I will go in support of my constituents.

The CHAIRMAN. Thank you very, very much, Senator. I appreciate your coming.

I have one question that I will ask. One of the dimensions here that was mentioned, I think by all of you in one form or another. It seems to me that what you are saying is that in addition to the expectation and the hope that an effort that was directed toward aiding, abetting, and cajoling drug-producing countries to take stronger efforts to eliminate, eradicate, diminish the production of the raw material and/or refined product coming from their countries, in addition to that objective, which is to get less of it on the street in the United States, there seems to be a secondary objective. And that is a foreign policy objective, that our failure to attempt to

demonstrate our concern has two effects. One, we really do not care much, if we abandon the effort at all. And second, that we need to give support and sustenance to governments who are fighting their own domestic battle against this problem. Failure to do so would be harmful to our nondrug-related relationships with those countries, that it is obviously not in our interest for the Colombian judiciary to be incapacitated. It is even less in our interest for the Colombian army to become incapacitated. It is less in our interest for the Colombian President and Government and Cabinet to be incapacitated because there are so many other things that affect our interests that are impacted upon by having a stable government in the various countries in which we are talking about. Is that a secondary reason for the need to continue the program and increase it? Or am I missing the point? Is the wish being the father of the thought here? Is my notion being transposed to you guys?

Mr. ASENCIO. I would agree with that, certainly in reference to Colombia. I would say perhaps with Mexico it might be slightly exaggerated, but it certainly clearly fits Colombia.

Mr. BOYATT. I agree.

The CHAIRMAN. I have no further questions. I yield to my colleague from Florida.

Senator GRAHAM. Mr. Chairman, I apologize. I am going to have to leave for a few minutes also.

I had one last question which I might state, if any of the members of the panel would care to supplement their remarks in writing, I would appreciate it. And that is, are there any barriers of our own making currently to an effective eradication program? I remember in the visit to Colombia in 1979 one of the then existing barriers was, I believe, the Percy amendment which required some rather elaborate U.S. clearances before Paraquat could be used for eradication. The Colombians, I believe, Mr. Ambassador, I could describe that they found it to be somewhere between incongruous and outrageous that the United States would——

Mr. ASENCIO. Risible, I think, would be it.

Senator GRAHAM. Are there any currently existing U.S.-imposed impediments beyond the quantity of resources, that has already been mentioned, to our effective participation in these efforts?

Mr. BOYATT. I happened to call my former colleagues at the State Department before coming up here, I did not want to commit some irretrievable error, and learned that we are apparently very close to being able to have a substance which can be sprayed on cocaine and will kill it, which may be a real breakthrough. But they are struggling through the environmental clearance process right now. I am not sure that that is an impediment that anyone would want to do anything about, but it is sometimes hard to explain the intricacies of the U.S. Government to those overseas.

Senator GRAHAM. Any other comments?

Thank you very much. Thank you, Mr. Chairman.

Mr. JOVA. I am not advocating closing the frontier, far from it. But recall that when we were not getting full cooperation from the Mexicans, in effect we did close the frontier, in the early 1970's, 1970–1971 perhaps, by slowing down the customs procedures, et cetera. The howl on this side of the border was almost as great as

the howl on the other side of the border. So, at the end of the third day, I believe, we reopened the frontier.

I am merely citing that we should be willing to take drastic action, but we have to recognize how complex it is not only abroad but here, too.

The CHAIRMAN. Thank you very much. Gentlemen, I appreciate your time and your effort, not only your effort here today but your effort in the past on behalf of the Government. I mean that sincerely. It is presumptuous for me to compliment you but nonetheless I do. We are lucky to have had you. I appreciate you all being willing to come back.

Mr. JOVA. Thank you, Mr. Chairman.

Mr. DILLON. Thank you.

Mr. BOYATT. Thank you, Mr. Chairman.

Mr. ASENCIO. Thank you, Mr. Chairman.

The CHAIRMAN. Without objection, we will insert in the record at this point further questions.

[Additional questions and answers follow:]

JOSEPH R. BIDEN, DELAWARE, CHAIRMAN
ALFONSE M. D'AMATO, NEW YORK, CO-CHAIRMAN
DENNIS DECONCINI, ARIZONA
ALAN J. DIXON, ILLINOIS
BOB GRAHAM, FLORIDA
FRANK H. MURKOWSKI, ALASKA
PETE WILSON, CALIFORNIA

United States Senate

CAUCUS ON INTERNATIONAL NARCOTICS CONTROL
WASHINGTON, DC 20510

April 27, 1989

The Honorable Diego C. Asencio
Chairman, Commission on International
Migration and Cooperative Development
1111 18th Street, N.W.
Suite 800
Washington, D.C. 20036

Dear Mr. Asencio:

I want to thank you for testifying at the April 19 hearing on international narcotics control. Your testimony, based on your extensive experience, was enlightening and should be very useful as the Caucus continues its review of U.S. international narcotics control policy.

Although I realize it may be an imposition on your time, I would appreciate your responding to the enclosed written questions. Your answers to these questions will be included in the hearing record. Please send your responses to:

Mr. Scott Green
Senate Judiciary Committee
224 Dirksen Senate Office Building
Washington, D.C. 20510

Once again, thank you for taking the time to testify and to answer questions on this important matter.

Sincerely,

Joseph R. Biden, Jr.
Chairman

Enclosures

Questions for Ambassador Asencio from Senator Biden

1. SHIFTING SUPPLY FROM COUNTRY TO COUNTRY. ALTHOUGH WE HAVE BEEN SUCCESSFUL WITH ERADICATION PROGRAMS IN SOME COUNTRIES, IT SEEMS THAT SUPPLY SIMPLY INCREASES SOMEWHERE ELSE. HAVE WE FOUND THAT AS THE U.S. AND FOREIGN GOVERNMENTS CRACKDOWN ON PRODUCTION IN BOLIVIA AND PERU, THAT COCA PRODUCTION HAS SHIFTED TO BRAZIL?

THERE ARE HUNDREDS OF THOUSANDS OF SQUARE MILES OF TERRITORY IN BRAZIL THAT ARE SUITABLE FOR COCA PRODUCTION. DOES IT MAKE ANY SENSE TO CONTINUE TO PUSH FOR COCA ERADICATION IN PERU AND BOLIVIA IF PRODUCTION IN BRAZIL CAN MORE THAN MAKE UP FOR WHATEVER IS SUCCESSFULLY ERADICATED?

2. DEA'S OPERATION "SNOWCAP" THE DRUG ENFORCEMENT ADMINISTRATION RECENTLY BEGAN A NEW INITIATIVE -- OPERATION "SNOWCAP" -- TO FIGHT THE COCAINE PROBLEM IN SOUTH AMERICA. SPECIALLY TRAINED DEA AGENTS ARE ACCOMPANYING BOLIVIAN AND PERUVIAN ANTI-DRUG UNITS ON SEARCH-AND-DESTROY MISSIONS OF COCAINE PROCESSING LABORATORIES.

WHAT DO YOU THINK OF THE NEW DEA PROGRAM?

DOESN'T THE USE OF DEA OFFICIALS IN PARAMILITARY DRUG RAIDS RISK THE POSSIBILITY THAT U.S. OFFICIALS COULD BE DRAWN INTO THE GUERRILLA WARS IN COLOMBIA AND PERU?

3. USE OF THE U.S. MILITARY. THE U.S. MILITARY WAS USED IN "OPERATION BLAST FURNACE" -- IN WHICH U.S. MILITARY HELICOPTERS AND PERSONNEL ASSISTED BOLIVIAN ANTI-NARCOTICS UNITS TO DESTROY COCAINE PROCESSING LABS.

SHOULD WE INCREASE THE ROLE OF THE U.S. MILITARY IN INTERNATIONAL DRUG EFFORTS, AND IF SO, HOW?

WHAT ABOUT THE POSSIBILITY THAT U.S. MILITARY FORCES COULD BECOME ENTANGLED IN THE GUERRILLA WARS IN PERU AND COLOMBIA?

LAST YEAR, PRESIDENT BUSH CALLED FOR THE CREATION OF AN "INTERNATIONAL STRIKE FORCE" TO SEEK OUT AND DESTROY MAJOR COCAINE PROCESSING FACILITIES IN SOUTH AMERICA. DO YOU THINK THAT THE CREATION OF SUCH AN INTERNATIONAL FORCE IS REALISTIC? SHOULD IT BE A POLICE FORCE OR A MILITARY FORCE? WHO WOULD HAVE CONTROL OVER THE DEPLOYMENT OF FORCES?

4. EXTRADITION. SHORTLY AFTER THE EXTRADITION OF MAJOR DRUG KINGPING CARLOS LEHDER, THE COLOMBIAN SUPREME COURT DECLARED THE U.S.-COLOMBIAN EXTRADITION TREATY VOID BECAUSE OF A LEGAL TECHNICALITY. SHOULD THE UNITED STATES PUSH TO RE-NEGOTIATE THE EXTRADITION TREATY?

WHAT IMPACT DO YOU THINK THE EXTRADITION OF CARLOS LEHDER HAD ON THE WAY THE COLOMBIAN DRUG TRAFFICKERS DO BUSINESS?

QUESTIONS FROM SENATOR D'AMATO

QUESTION FOR AMBASSADOR DIEGO ASENCIO:

MANY COUNTRIES HAVE VIEWED THE THREAT FROM SMALL GROUPS OF INSURGENTS AS MORE DANGEROUS TO THEIR INTERNAL NATIONAL SECURITY THAN THE THREAT FROM GROWING GROUPS OF NARCOTICS TRAFFICKERS.

QUESTION: DID THE AMERICAN INTELLIGENCE COMMUNITY ADEQUATELY RELAY TO OTHER NATIONS THE EMERGING THREAT FROM DRUG TRAFFICKERS? WERE WE BEHIND THE CURVE? IF SO, WHY?

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Office of the President

May 18, 1989

Mr. Scott Green
Senate Judiciary Committee
224 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Mr. Green:

I am enclosing the answers to the questions pertaining to my testimony at the Caucus on International Narcotics Control.

My delay in responding to these questions is due to my retirement from Meridian House as well as a brief illness.

If you need further information, please feel free to contact me.

Sincerely,

Joseph John Jova
(U.S. Ambassador - ret.)
President Emeritus

QUESTIONS FROM CHAIRMAN BIDEN

QUESTION 1. POLITICAL/ECONOMIC SITUATION IN MEXICO IN THE 1970's

Both the political and economic situation in Mexico in the 1970's seemed uneven at the time because:

Politically, the Mexican system had been shaken by the student demonstrations of 1968 and the bloody measures taken by the previous administration. President Echeverria, who as Minister of Government had carried out the repression measures known as the Massacre of Tlatlelolco, attempted to strengthen his own position and that of the PRI system by undertaking ambitious social action programs to help the disadvantaged. These programs were costly for Mexico's budget and led to inflation, to a fight of capital and to the eventual devaluation of the peso. The country was also unsettled by the activities of important guerrilla forces which the Army was unable for some years to bring under control. Echeverria further attempted to strengthen his own image through increasingly demagogical rhetoric both internally and in international fora. The U.S. was often the target of his speeches and of his international activities. Nevertheless, on many important bilateral matters, Echeverria was understanding of U.S. needs and was prepared to cooperate so long as he was certain that such cooperation would not harm Mexico's own interests.

Economically, the country was in increasingly bad shape due in part to long delays in taking the necessary fiscal measures such as devaluations and belt tightening. Having accomplished this, the discovery and subsequent exploitation of important oil deposits saw Mexico potentially rich beyond its dreams by the end of the decade. In record time under Lopez Portillo, Mexico would go from a net oil importer to the world's 3rd or 4th largest exporter. Mexico thus enjoyed a few years of prosperity and growth as oil prices soared. Subsequently, world oil prices plummeted and Mexico, by early in the 80's, was once again not only poor but also burdened by enormous debt.

In addition to narcotics, our agenda at the time also included other important issues such as access to Mexican oil and gas, immigration problems, trade, fishing rights, protection of American citizens and many others. Important as these were they did not detract from the attention given to narcotics, which both the Chief of Mission and all members of the Country Team recognized as of prime importance.

The eradication program in Turkey obviously served as an inspiring example. However, it is my recollection that our government was eager not to embark on crop substitution programs in Mexico and in fact to avoid even discussing this possibility, realizing that the U.S. might have to subsidize a very costly operation which would in any case be difficult to carry out in the case of Mexico.

QUESTION 2. MEXICAN GOVERNMENT'S DECISION TO ERADICATE DRUGS

I understand that in the earlier days of the narcotics program, Mexico was at first somewhat lackadaisical in its cooperation on eradication and other narcotics control programs. The U.S. in effect closed the border in the early 70's by making slow and painstaking searches of each vehicle, etc. This only lasted a very few days as the hardships caused to the commerce of the U.S. border cities was great and their outcry was perhaps more effective than Mexico's diplomatic protests. In any case, this action certainly got the attention of the Mexican government and from then on their cooperation on drug control programs increased

markedly. It is true also that there began to be a greater realization on Mexico's part that drug control was also in its own interests.

QUESTION 3. CORRUPTION

Corruption has always existed in Mexico, but in the 1970's there was little indication that it had spread to higher levels of the military or of anti-narcotics officials. But, looking back, there was always more success in catching the small fish of the drug trade while the big fish "got away".

As the USG goes after the big fish in the drug trade and makes the charges stick, its ability increases to pressure Mexico to do the same.

QUESTIONS FROM SENATOR D'AMATO

1. Was the U.S.-Mexico campaign really a success or, due to an enhanced public awareness to the issue, have we now raised the standard by which we judge a nation's cooperation?

The U.S.-Mexico narcotics effort in the 1970's was at least a moderate success. While significant amounts of opiate and marijuana crops were indeed destroyed, the supply in the U.S. market dropped but--as the big U.S. demand continued strong--other areas, usually more remote and scattered, were planted to meet the demand which was very lucrative. Many persons involved in the drug trade were captured, tried and imprisoned, but these included very few big shots and this was one of our complaints at the time. Our own public awareness and standards of judgment have probably been raised during the past 12 years. For the Mexicans the novelty of the program has diminished, but also as the money involved reached astronomical levels, the temptations of corruption increased.

2. FOLLOW-UP QUESTION

It is difficult for me to comment in depth on what may have taken place after I left Mexico but I can make a couple of observations. In my day, there was a remarkable spirit of motivation and of cooperation on the part of all members of the Country Team involved in the anti-narcotics effort. As Chief of Mission, narcotics was high on my own priorities and I invested a great deal of time, energy and "chips" in this effort. On the Mexican side also, there seemed to be a real spirit of motivation and almost of enthusiasm. It is possible that 12-14 years later such motivation may have diminished as the novelty of the program wore off, as awareness increased of its long-term nature, and as the temptations increased. At the same time, the "drug lords" also are now that much richer, that much more entrenched and now include the Colombians. The Colombians' activities have served to enhance the awareness of the GOM and I understand that it now sees narcotics as a threat both to national sovereignty and to the health and welfare of the Mexican people. Accordingly, there is more disposition on the part of the Mexicans to view narcotics not only as a U.S. problem but as a mutual problem which both nations must face. This spirit of mutuality is a most valuable asset and should be nurtured. Therefore, this must be factored in when considering measures such as decertification which, while emotionally satisfying in themselves, may have other less desirable consequences.

QUESTIONS FROM SENATOR DIXON

QUESTION 1. Do you consider the recent arrest of Miguel Felix-Gallardo and six law enforcement officials in Mexico....?

The recent arrest of Miguel Felix-Gallardo and others is definitely a good signal. This and the consideration of fostering a spirit of mutuality (see my reply to Senator D'Amato's questions) are further arguments against decertification at this time.

QUESTIONS 2 and 3. Corruption....

Corruption has always been endemic in Mexico as in other countries south of the border but there have also been unfortunate instances here in this country also. Quiet behind scenes pressure on the part of the Executive Branch is the best course with occasional short-term and carefully-controlled measures to indicate our seriousness. Public criticism in the legislative branch and in the press bring "sun light" to the issue and exert indirect but strong influence on Mexican public opinion and on the Mexican government. If needed, more direct actions should be left to the Executive Branch which is best equipped to weigh consequences. Ideally, such actions should be limited in time and nature sufficient to demonstrate our seriousness and possible consequences without in themselves becoming the cause of still further differences which hinder the mutual cooperation which is so desirable.

QUESTION 4. The Mexican eradication program was effective in the 1970's. In your opinion, what went wrong in the 1980's?

Previous answers have attempted to address this matter on which I do not have direct knowledge.

QUESTION 5. What role could the Organization of American States play in encouraging member states to eradicate crops?

The OAS has already begun playing a useful role on the narcotics issue, raising an awareness and fomenting collaboration among member states. In order to further increase the role of the OAS, it is necessary for the United States to increase its participation in the funding of the brganization.

QUESTION 6. In your view, what is the main obstacle to our anti-drug efforts with regard to Mexico?

In closing, I will repeat my contention that one of the most important requirements is to maintain and strengthen a spirit of mutuality with Mexico. For this it is important that our own efforts be of a two-pronged nature and must deal with the demand side as well as the supply side. Eradication and other control measures are vital in the short term. We must prove our own national commitment by ensuring that the United States itself is not a major source of supply. It is demoralizing and counter-productive to long-term serious international cooperation to read that California, for instance, is a major source of marijuana, much of it grown on federally-owned lands.

In the long run (and it will also take a long time to accomplish), reduction of demand is essential. So long as the demand exists for something so lucrative for the dealers and suppliers, new sources of supply will be found whether in other more remote parts of Mexico or in other countries.

The CHAIRMAN. Our next panel is a distinguished panel of former drug enforcement officials, all of whom it is good to see around again. Peter Bensinger was Administrator of the Drug Enforcement Administration from 1976 to 1981. Frances Bud Mullen was Administrator of the Drug Enforcement Administration from 1981 to 1985. Joe Arpaio was head of the Drug Enforcement Administration's offices in Mexico and Turkey in the midseventies.

Welcome, gentlemen. Sorry to keep you on through lunch. If you could limit your opening statements to around 5 minutes or so, I would appreciate it. We can maybe send some more questions in.

Why do we not start with you, Peter? Welcome.

PANEL CONSISTING OF PETER BENSINGER, ADMINISTRATOR, DEA, 1976-1981; FRANCES BUD MULLEN, ADMINISTRATOR, DEA, 1981-1985; AND JOSEPH M. ARPAIO, HEAD OF DEA'S OFFICES IN MEXICO AND TURKEY IN THE MIDSEVENTIES

STATEMENT OF PETER BENSINGER

Mr. BENSINGER. Thank you, Mr. Chairman.

The two areas that I would look back on where we did have particular success, you have already heard considerable testimony about—from Ambassador Jova and Ambassador Dillon about Turkey and Mexico. If you had charts up from 1976 to 1980-81, production of opium in Mexico and in Turkey, of course, they would be significantly down. So would the overdose deaths from that. During that period, I think from an enforcement standpoint we had a single focus and initial major emphasis on heroin. That had its advantages and disadvantages. The focus of the enforcement effort domestically focused on heroin. The focus of our international efforts focused on heroin. And the focus of the limited and far too small foreign aid budget from at that time the Office of Narcotic Affairs also focused principally on Mexico.

The problems facing America's drug control effort today are different than 12 to 15 years ago, in our time, and they are similar in many ways, 90 percent of the drugs still are imported from overseas.

We are not going to solve the problem by pointing our fingers at our neighbors. The battle is not going to be won in Sinaloa or the Guajira Peninsula. It is going to be won in the homes and the schools and the streets and the cities of this country.

I would attest that our drug addiction rate and our overdose death rate and our price and purity and drug availability is higher in America than any other countries we have talked about in the previous panel.

I think you ought to go after the money overseas, not just the poppy plants or the coca fields. There is a statute that was put into effect in 1978, tacked onto the Psychotropic Convention for Drugs, that enables the Federal Government and its agencies to seize assets derived from, intended to be used for, or traceable to a violation of our Controlled Substances Act. I think we should take as many lawyers and agents and foreign-speaking resources as we can in this Government and send them to foreign countries and try to get those countries, Colombia, Peru, and Bolivia included, to seize

the billions of narco dollars and turn them back to the governments in those countries.

I also think we need to let the fishmeal come in from Peru and the flowers come in from Colombia. We need multiyear funding, not a drop in the bucket. A drop in the bucket is what we have funded overseas, as you have heard me testify before. I would hope you would get Jim Baker, the Secretary of State, up for one of these hearings, not simply the Assistant Secretary, to talk about the priorities.

I think the ambassadors were great. I knew them personally, stayed in their homes. They fought as hard as they could under the circumstances. But they were not dealing with a full deck. They were not dealing with a commitment that they could take to the president of a foreign country and say, we will back you for 5 years, $20 million a year. We will provide you equipment. We will provide you some intelligence. We will arrange the purchase of legal crops.

Turkey worked. I went down to that factory in Bolvadin. We said we will buy the straw. And they limited the opium production to seven provinces. It helped us a lot. And you could say 10 years later they are growing poppies in Afghanistan and Pakistan, and they are; but there was a significant period in the United States when there was a dramatic reduction in overdose deaths and in the importation of heroin.

I would say go after the money with forfeitures. I would say in addition, multiyear funding for overseas. Really that is essential, and tie in AID with the INM budget because they can help build roads and schools and do all sorts of other things. Be responsive, I think, to the foreign countries' needs.

I would have much more major information on foreign countries. You have been involved in other committees where that can be discussed at greater detail. The information that foreign governments can act on with respect to corruption or drug trafficking organizations depends on accurate credible information. It may be developed by DEA agents abroad or by other entities, but I think that it is a very helpful resource that we have not used enough of.

I think you need to continue with a bipartisan approach.

The new Government of Mexico, to me, looks encouraging. As far as California, and invasions, we could start right in this Capital; in fact, we have. If you can't control the drug problem in DC, we look to Colombia, we seem to have trouble doing it on Capitol Hill, not just the Hill but the Capital City. And they have probably got more policemen on Capitol Hill than there are DEA agents all over the world. At my time there were about the same number. I suspect that with the security efforts there are probably more people in law enforcement guarding the Capitol than there are people deployed to fight narcotics on a worldwide basis from this Government. And there have been increases in funding.

User accountability and demand reduction have been talked about. I think you are holding these hearings in part because people breaking the narcotics laws of the United States are not generally held accountable, do not go to trial. Some of the dealers do. And some of the major cartels are investigated. But there is not

a sense of user accountability, somebody violating our drug laws by using and selling in smaller quantities.

There are some personal issues that helped us in our efforts overseas relating to the people that were there, relating to ambassadors, relating to DEA agents, whether it is a whirling dirvish in Turkey who had a great rapport with the head of a foreign police department, or just continual visits in the French Connection days. Joe Arpaio may talk about it. We used to meet every 3 months with the Franco-Canadian and American heads of police. Bud Mullen may comment after I am through on a continued close relationship between foreign law enforcement heads. I think that is very helpful, to make this really a team effort.

The incentives are different for coca because it is grown in Latin America and so many different countries. My sense would be that trying to get the money seizure, forfeiture laws, in effect, in those foreign countries would be a great way to help them recapture some of the wealth that has been stolen from all of us.

I know you have other witnesses to hear from, Senator Biden. I would be happy to respond to any questions that you or, subsequent to you, your staff may have.

I want to just comment that it has been 8 years since I have been back. I am glad that the Congress and your committee have formed this special effort to look at the international implications of this issue.

The CHAIRMAN. Thank you.

STATEMENT OF FRANCES BUD MULLEN

Mr. MULLEN. Senator Biden, it is good to be with you again and see you looking so fit.

As you recall, in this room some years ago we had a confirmation hearing that we had a full panel and standing room only; have not had a crowd like that since.

I have been gone now for 4 years from the DEA. Relative to eradication programs in foreign countries, I have never had much confidence in them. I do not think they work. There is the aversion to the use of chemicals. Just prior to leaving, the issue was raised by Senator Graham of our failure to use chemicals in this country and yet asking foreign countries to do so. Foreign countries could not figure that out; I never could.

Then you have the poverty, the corruption, the huge sums of money to be made. We just do not have the leverage to compel foreign governments to undertake the eradication programs.

I agree with everything Mr. Bensinger had to say. I think we really ought to be going after the laboratories and the financial institutions in these foreign countries. These targets are much more readily identified and more susceptible to successful drug enforcement efforts.

We have to continue to encourage foreign governments to undertake various control programs. I think we have to realize they are just never going to solve our problem for us.

I, too, believe we should be using the military or National Guard and so forth along our long borders. We ought to be concentrating

our Customs and Border Patrol people at the chokepoints and ports of entry.

Having been gone from DEA, as I said, for 4 years, nothing has really changed. We have toughened the drug laws somewhat. The U.S. military has succeeded to a degree in reducing drug abuse. The public is more aware, and I think some prevention education programs are taking hold. I still do not believe that we are serious as a Nation in reducing the drug problem.

For example, DEA has 400 more agents today than they had when I left 4 years ago. El Paso Intelligence Center, the center for all intelligence activity, cannot fund 66 positions. All these other intelligence sources go to El Paso for their information.

I think the time has come for drastic action. I believe we may have to conclude, for example, that we cannot afford to build a weapons system such as the Stealth bomber. Now, I am sure the Senate will have much more information than I would have. Maybe we need it. But when they roll that plane out with the band playing, I tell you, people up in Connecticut are asking me: Bud, what the heck is going on, when they read about Washington, D.C., and New York City. We should take the 72 billion, 172 billion, or whatever it is going to cost, we know it is going to be more than we say it will be, and use part of the money for drug abuse control and for drug enforcement.

We must have the agents, the prosecutors, the judges, the prisons, the treatment centers, and must use some funds overseas.

Mandatory rehabilitation or immediate treatment upon request has to be available; it is not. There must be an education program in every school at every level. Abandoned military bases should be the sites of our new prisons. I thought we made tremendous progress, and then I read where the new drug czar's office is toying with the idea of using military bases as prisons. It is time to quit toying with the idea. We ought to be doing it.

The Federal prison system should be accepting prisoners from the State system.

I, too, believe that DEA must be allowed to do the job it was created to do in 1973. If anyone would read the 1973 law creating DEA, it would read just like the drug czar law which you passed. It did not work. We still have the tugging and pulling.

I would hope the drug czar's office—I have great hope for the drug czar position. I am very hopeful it will work. But if nothing else, I hope you will control to some degree the foreign visits. We have never defined what we think is victory in what we are trying to accomplish in the drug war. And if we have not defined it, it is hard to impart to our foreign friends in law enforcement. But I can recall, I would go visit a foreign country. A month later Carleton Turner from the White House would show up in the same country. Another month would go by, and Admiral Murphy would come in, and then Director of Customs. They are confused. Again, I hope the drug czar will put a stop to that. And they will tell him where they are going, why they are going, what they are going to say, so we will speak with one voice.

With that, and with the hope of creating the impression that law enforcement people are much more concise than ambassadors, I will conclude my remarks and await your questions.

The CHAIRMAN. Thank you.
Without objection, your prepared statement will be inserted.
[The prepared statement of Mr. Mullen follows:]

STATEMENT OF BUD MULLEN

During my tenure as Administrator of the Drug Enforcement Administration (1981-1985), I had the opportunity to visit twenty foreign countries and to meet with enforcement officials from those countries and many others.

I have never had much confidence in eradication programs in foreign countries for a number of reasons: The aversion to the use of chemicals, the poverty, the corruption, the huge sums of money to be made, and the sheer immensity of the task. In addition, we just do not have the leverage to compel foreign countries to undertake meaningful eradication programs.

When we threaten to withhold aid, it causes resentment and could weaken a foreign government's ability to deal with other problems, such as terrorism and poverty. However, we should use every tool at our disposal when we detect corruption on the part of foreign officials relative to drugs.

I believe that we must convince foreign governments that whether you are a source country, transit country, or a consuming country relative to drugs, you will at some point have an addiction problem which will destroy your youth and undermine your political, economic, social, military and educational systems. It is in their best interests to control drug production and trafficking.

The best way to accomplish this, in my opinion, is to strike at the laboratories and financial institutions. These targets are more readily identified and more susceptible to successful drug enforcement efforts.

While we must continue to encourage foreign governments to undertake effective enforcement and control efforts, we must realize that they are never going to solve our problem for us.

I believe that we must use our Military and our National Guard resources to control those long stretches of our borders and our oceans. We should concentrate our U.S. Customs, Border Patrol, and Immigration resources at our ports of entry and surrounding areas.

However, I have been gone from the DEA for four years now and nothing has really changed. We have toughened our drug laws somewhat, the U.S. Military has succeeded in reducing drug abuse, the public is more aware and education/prevention programs seem to be taking hold. I still am not convinced that we are serious about resolving our nation's drug problem. For example, DEA has only 400 more Agents today than when I left in 1985.

I believe that the time has come for drastic action. We may have to conclude that we cannot afford to build a new weapons system such as the stealth bomber. We should take the 72 billion or 172 billion dollars, or whatever the cost, and put part of the money into drug enforcement and drug abuse control. We must have the Agents, the Prosecutors, the Judges, the prisons and the treatment centers. Mandatory rehabilitation and immediate treatment upon request must be available. There must be an education program in every school and at every level of our school systems. Abandoned military bases should be the sites of new prisons, and the federal prison system should take convicted drug traffickers and dealers from the state prison systems.

At the same time, DEA must be allowed to do the job it was created to do in 1973. That is, to coordinate and direct the U.S. drug enforcement effort. I am hopeful that the "Drug Czar" will be able to bring this about.

The CHAIRMAN. Mr. Arpaio.

STATEMENT OF JOSEPH M. ARPAIO

Mr. ARPAIO. Mr. Chairman, I received short notice to appear here. I dropped everything, came in from sunny Phoenix because of the admiration that I have for you and my own Senator DeConcini for fighting this problem before it became politically fashionable. After 30 years serving as a law enforcement officer and now as a private citizen, I wish to thank you for your efforts. I know you are going to continue those efforts and keep the executive branch honest.

I have a prepared statement. I am going to deviate from that statement because a lot of what I said was already covered by the ambassadors and even by your opening statement.

As a 30-year law enforcement officer, where I started on 14th and U with the Metropolitan Police Department after 4 years walking the beat, then I advanced with the BNDD, Bureau of Narcotics, and so on, and DEA as undercover, and then as a top manager of many cities in Turkey and Latin America, if you ask me the question going back 30 years what were the key problems or things that happened that probably detracted or caused our drug problem that we have today, I would have to go back and say, No. 1, under the Johnson administration when they did away with the mandatory laws in 1968 and, I think, 1969. And then, No. 2, Senator Mansfield when he passed the Mansfield amendment that refused to allow our agents to be operational anymore in foreign countries. I think they just changed that under the new administration.

No. 3, and I am in a tough position here because I have two ex-bosses sitting next to me——

The CHAIRMAN. But they are ex-bosses though, just remember they are ex-bosses.

Mr. ARPAIO. No. 3 is when the Reagan administration placed the DEA, got rid of Mr. Bensinger, and placed the DEA under the FBI.

Then I go back to the State Department, after 9 years in foreign countries, I worked with many ambassadors. Some were good. Some were not good, as far as support. A paradox: one of my weekly gun battles in the mountains of Turkey where I killed two Turks, two dope peddlers, and I was indicted along with four other police officers for murder. I sent a cable through State Department channels and nothing happened. Three weeks later, they finally decided, gee, we had better do something with Joe. Of course, I resolved the matter. My indictment was dismissed, and the other police officers had to stand trial; but they were found not guilty. Let me add that we were in line of duty.

Years later, in 1972, when I was a director of Latin America, we located the top French Connection dope peddler in Paraguay. The U.S. Ambassador refused to allow me and my agent to conduct an investigation to find out where this fellow was in Paraguay. Now, this is the top dope peddler in the world. Finally, Dick Kleindienst, who was Deputy Attorney General, came down. We brought a jet down there. Told the Ambassador: you will allow the BNDD at the

time to work on this investigation. So we did find the drug trafficker, put him on a 707 and brought him back to the United States.

So, there have been examples of friction with ambassadors, lack of dedication. Of course, when I was traveling in South America trying to open offices prior to 1972, the ambassadors would hide from me because they did not want me to place agents in these offices until President Nixon made it a matter of foreign policy in 1972. Then the ambassadors started to talk to me.

These were problems in the past, but I believe they affect the problem we have today.

I am a little concerned also with this Just Say No campaign that was in existence for 8 years. You do not tell junkies—and I call them junkies. I am on talk shows quite a bit in Phoenix, and I still say junkies. They say chemical dependency, all these nice names, because drug addiction is not confined to ghetto areas anymore. But I think that these campaigns by police chiefs I hear across the country, even Federal officials, that the only way we are going to stop this problem is through education. I get the impression maybe we are shifting the blame. If we are not doing it with law enforcement, it is easy to say we have to educate everybody. It is the only way we are going to stop it.

If you recall during the Second World War, we had no drug problem. We had 50,000 heroin addicts. Because of the war naturally the drugs could not come into our country. So it went from 50,000 heroin addicts down to 10,000 heroin addicts. So it shows that if you can stop the drugs from coming into our country, you can reduce the demand for drugs. Education is good, but let us not forget that we have to go to these source countries regardless of corruption.

Now, I hear about we want to take aid away from Mexico and other foreign countries because of corruption. Should we take aid away from New York or other States where we have crooked police officers? You know, we always blame these foreign countries for corruption, but we have tremendous corruption problems in our country. But I do not hear a national mandate to do away with corruption in the United States of America. So, I think we better look at our home base sometimes and not always criticize foreign countries.

Thank you.

The CHAIRMAN. Thank you.

Without objection, your prepared statement will be inserted into the record.

[The prepared statement of Mr. Arpaio follows:]

April 17, 1989

Mr. Scott Green
Staff Director
United States Senate
Caucus on International
Narcotics Control
Washington, D.C. 20510

Dear Mr. Green:

Reference letter dated April 14, 1989 from Sen. Joseph R. Biden Jr., Chairman, Caucus on International Narcotics Control, requesting my presence on April 19, 1989 before the U.S. International drug control policy hearings. Sen. Biden requested I submit a brief written statement, as follows:

Opium, Coca and Cannabis, the three basic substances responsible for the drug epidemic today, are known to have existed for hundreds of years. As the problem increased in the U.S. it was recognized that the drug traffic had to be attacked on an international plane since the majority of drugs used in the U.S. were of foreign origin. During the 1960's a major concern of the U.S. was the diversion of opium from the legal opium cultivation in Turkey, the production of morphine base in Turkey and the movement of that product to heroin laboratories in France. The opium production control system implemented by Turkey was not working. In 1972, under preasures by President Nixon, the Turks eliminated opium production, and consequently the availability of French produced heroin dropped to zero. Unfoftunately, Mexico took up the slack. Cooperation with the Mexican government increased during the early 1970's...However, Mexico is a large country with rugged terrain. Conventional law enforcement efforts were cumbersome. Foot patrols were easily spotted well in advance before Mexican military personnel could reach drug growing sites in an effort to uproot and burn opium and marihuana crops. Subsequently, aerial spraying was initiated by Mexican authorities in cooperation with U.S. drug agents to destroy the crops. Paraquart was used and was successful. However, the use of paraquart caused a health scare in the U.S. In any event, the eradication program was successful by utilizing helicopters and herbicides. By 1980 Mexico was proof that international narcotics supply control programs could work. Emphasis soon shifted from Mexico to Columbia, Thailand and Pakistan. However, it is now well known that during the 80's the tide changed and Mexico is once again a major player in the international drug traffic situation.

Drug traffic is only one issue facing Mexico. Mexico is our third largest trading partner. Human ties between Mexico and the U.S. is impressive as evidenced by the millions of American tourist who visit Mexico each year. On the

other hand over 8 million Mexican citizens live in the U.S. legally and illegally. These issues, in addition to corruption, terrorism and violence, is intertwined with narcotics trafficking. The Mexican law enforcement and criminal justice system is understaffed and financially unstable. A major part of the Mexican population is disadvantaged and poor. Yet, even though these problems exist, the Government of Mexico must have the political will and commitment to take the necessary actions to reduce the flow of drugs from Mexico into the U.S.

In order to contain drug trafficking abroad and in our country, we must get our own house in order. The charade and cosmetics of studies and reorganizations of the Federal drug control structure should end. Reorganizations have been going on for years. The decision by President Reagan in 1980 to place the DEA under the FBI has been, in my opinion, a disaster. Is it a coincidence that drug traffic and use has since exploded? We must have one designated lead agency with drug enforcement responsibilities in the U.S. and abroad. At this time I am not apposed to the drug czar position. The timing and circumstances are appropriate. However, the President and Secretary of State must make the drug problem the top priority of the administration. Lip service is not enough. Continuous dialogue between presidents in source and transit countries, President Bush and the Secretary of State is crucial.

The above cited high level political influence will enable U.S. government and foreign agencies the added opportunity to improve eradication, drug operations and intelligence gathering in Mexico, South America and Southeast Asia.

In conclusion I wish to express my appreciation to Chairman Biden and his staff for the opportunity to appear before this hearing.

Sincerely,

Joseph M. Arpaio
U.S. Drug Enforcement Adm.
(RETIRED)

BIOGRAPHY
OF
JOSEPH M. ARPAIO

RETIRED

DRUG ENFORCEMENT ADMINISTRATION
UNITED STATES DEPARTMENT OF JUSTICE

Joseph M. Arpaio, 56, has served his country for 32 years. (1950 - 1982).

He is a former Korean war veteran, former police officer, and served with the United States Drug Enforcement Administration (DEA) for 26 years. He advanced through the ranks from U.S. Narcotic Agent to Regional Director. Mr. Arpaio lived a dangerous life working undercover around the world. He was involved in numerous gun battles and other dangerous sensitive activities. He served as director of many DEA offices in the United States, Turkey, Mexico, Central and South America. In the area of diplomancy, Mr. Arpaio served as a diplomatic officer abroad.

During his career Mr. Arpaio personally met with several Presidents for the purpose of discussing drug traffic and sensitive issues. He has also worked with top foreign and U.S. officials in order to reduce the availability of drugs in the United States.

Mr. Arpaio is internationally acclaimed for his efforts in fighting organized crime and corruption, as well as the drug traffic. He is the receipient of numerous foreign and U.S. awards. His last recognition was the receipt of the "Special Award of Honor" from the International Narcotic Officers Association.

In July, 1982 Mr. Arpaio retired as head of the DEA for Arizona after completing 32 years of Federal service. He was honored at retirement ceremonies in Phoenix by the presence of numerous Federal, State and Local officials, including U.S. Senator Dennis DeConcini and Arizona Attorney General Bob Corbin.

Mr. Arpaio is a member and officer of several International, National and Local organizations, including Life Member, International Association of Chiefs of Police; former Vice-President, Aviation Security Association of America - International, Washington, D.C.; 4 years - member of the Maricopa County Criminal Justice Group; Board of Directors, Tough on Drugs; Board of Directors, American Society of Travel Agents.

A native of Springfield, Mass., Mr. Arpaio attended the University of Maryland as well as numerous other business and specialized schools. He has been married to the former Ava Lam for the past 30 years. The couple has two children and the family lives in Phoenix, Arizona. Mr. & Mrs. Arpaio presently own and operate Starworld Travel Agency, 10630 N. 71st Pl., Scottsdale, Arizona.

EXECUTIVE RESUME

NAME: Joseph M. Arpaio

DATE OF BIRTH: June 14, 1932 (Springfield, Massachusetts)

ADDRESS: 6648 E. Sharon Dr., Phoenix, Arizona

MARITAL STATUS: Married, two children

EDUCATION: Attended University of Maryland

PROFESSIONAL EXPERIENCE:

July, 1982 to Present
Owner, Starworld Travel Agency

July, 1978 to July 1982
Special Agent in Charge of Arizona
U.S. Drug Enforcement Administration, Department of Justice
Phoenix, Arizona

August , 1974 to July 1978
Deputy Regional Director
U.S. Drug Enforcement Administration, Boston, Mass. Region

July, 1973 to July, 1974
Section Chief, Office of Intelligence
U.S Drug Enforcement Administration, Washington, D.C.

January, 1970 to July, 1973
Regional Director
Mexico City (Mexico, Central and South America)
U.S. Bureau of Narcotics & Dangerous Drugs, Department of Justice

August, 1968 to December, 1969
Deputy Regional Director
U.S. Bureau of Narcotics & Dangerous Drugs, Baltimore, Md. Region

January, 1968 to August, 1968
Special Agent in Charge
U.S. Bureau of Narcotics, U.S. Treasury Department.
Washington, D.C. Field Office

October, 1964 to January, 1968
Special Agent in Charge
U.S. Bureau of Narcotics, San Antonio, Texas

October, 1961 to October, 1964
Special Agent in Charge
U.S. Bureau of Narcotics, Istanbul, Turkey

November, 1957 to October, 1961
Narcotics Agent
U.S. Bureau of Narcotics, Chicago, Illinois

June, 1957 to November, 1957
Police Officer
Las Vegas Police Department, Las Vegas, Nevada

March, 1954 to June, 1957
Police Officer
Metropolitan Police Department, Washington, D.C.

MILITARY SERVICE: U.S. Army, 1950 - 1953, Sergeant

U.S. Army, 1954 - 1964, Warrant Officer, Criminal Investigation Division (Reserves)

TRAINING COURSES: New York Institute of Criminology, October, 1953 to January 1954

Federal Bureau of Narcotics Training School, 1958

U.S. Treasury Department Technical Investigative School, July 1961

U.S. Civil Service Commission Executive Seminar
Kings Point, Long Island, New York, May, 1969

American Management Association Course
New York City, N.Y. June to September, 1971

American Management Association Course,
New York City, N.Y. June, 1974

U.S. Attorney General's Senior Executive Seminar
FBI Academy, Quantico, Virginia, October, 1975

U.S. Civil Service Commission (Labor Relations & Collective Bargaining Negotiations Seminar) Boston, Mass. March, 1976

U.S. Deputy Attorney General's Public Policy Seminar,
Washington, D.C., January, 1977.

AWARDS AND CITATIONS: Special Service Award, U.S. Treasury Department, 1963

Superior Performance Award, U.S. Treasury Department, 1964

Superior Performance Award, U.S. Treasury Department, 1967

Exceptional Service Award from General Director, Turkish National Police, 1964

Extraordinary Service Award from Office of Special Investigations, U.S. Air Force, Washington, D.C. 1968

Award from San Antonio, Texas Police Department, 1968

Letter of Commendation, U.S. Attorney General, Washington, D.C. 1968

Special Service Award, U.S. Bureau of Narcotics & Dangerous Drugs, 1968

Award from Baltimore, Maryland Police Department, 1969.

Award from Mexico's Attorney General, Mexico City, 1971.

Letter of Commendation, U.S. Attorney General, Washington, D.C. 1972

Letter of Commendation, United States Ambassador to Mexico, 1973

AWARDS AND CITATIONS: (Continued)

Excellence of Performance Award, U.S. Drug Enforcement Administration, Department of Justice, 1978

Sustained Superior Performance Award, U.S. Drug Enforcement Administration, Department of Justice, 1980

Outstanding Contribution in the Field of Narcotic Enforcement Award, presented by the International Narcotic Enforcement Officers Association, at Minneapolis, Minnesota, 1981

Award from Arizona Association of Chiefs of Police, 1982

Special Award of Honor from International Narcotic Officers Association, 1982

AFFILIATIONS:

Life Member, International Association Chiefs of Police

American Society of Industrial Security

International Narcotic Enforcement Officers Association

First Vice President, American Aviation Security Association of America - International, Washington, D.C.

First Vice President, Federal Employees Retirement Association, local Chapter

Board of Directors, (CODAMA) Community Organization for Drug Abuse, Mental Health and Alcoholism Services, Phoenix, Arizona

American Society of Travel Agents

Order of Sons of Italy

Former member, Arizona Chiefs of Police

Former member, Maricopa County Criminal Justice Group, Phoenix, Arizona

The CHAIRMAN. Let me start by asking something that relates to debates we used to have, because my tenure here has overlapped the tenure of both former Directors. As they know, one of the debates we used to have is, both in the Carter administration and the Reagan administration, is, why will you not take more money? I used to be told: well, we do not really need any more money. Now, I understand the position you were both in. You know, OMB makes the judgment. You all have to come up here.

But now you are no longer heads of the agency. During your tenure, was there any—I am asking both of you—was there any real cooperation from the State Department at the highest levels?

Mr. BENSINGER. I do not think I saw a Secretary of State on a one-to-one basis except at a treaty signing ceremony in the case of Cy Vance when we did have a treaty signed with Colombia, which Diego Asencio and I and a lot of people in the Department did work on. I did not feel personally that the Secretary of State, whether it was Henry Kissinger, whether it was Cy Vance, was particularly interested or on a day-to-day or week-to-week basis closely involved.

I do not think the funding—I mean, it was inadequate. At the time I arrived, it was in 1976, in the Ford administration, $40 million. It stayed about that same level until a couple of years ago. And that is for the INM budget.

I felt that there were individual ambassadors and individual missions and individual desk officers, Chairman Biden, that were very interested and were very helpful. But in terms of resources and commitment, I have been disappointed in that level of effort since the day I arrived.

The CHAIRMAN. Bud?

Mr. MULLEN. I agree. You always found, like Dom DeCarlo or John Thomas, the Assistant Secretary for International Narcotic Matters, always very good, helpful, cooperative, never had the full support of a Secretary of State, never really became involved, took the time to familiarize himself with the problem or to really support efforts around the world.

The CHAIRMAN. That is one of the things that disappoints me so much about what President Bush has recently done by not including the new Drug Director at the Cabinet meetings, because the whole purpose of it was to educate Secretaries of Defense and Secretaries of State. They are not. They all want to carry either blueprints for Stealth bombers or plans for new treaties in their briefcases. And they are not very interested in dealing with dirty stuff, you know, this drug thing. I remember how stunned they were when I came to speak to them, and the topic was drugs. They wondered whether I was on drugs, to think that I would speak about drugs.

The problem still persists.

The second question I have is the issue of funding. The fact of the matter is, as both of you know, and, Joe, you probably are aware also, I think our effort on the drug front has been a joke in terms of our funding effort. I mean, forget whether we are talking about eradication or whether we are talking about the number of agents, or whether we are talking treatment. It is bizarre that we are spending significantly more money with President Bush, his

budget is slightly more than the budget of other Presidents. President Reagan's was slightly more than Carter's. But the fact of the matter is we are spending a total of $5.5 billion worldwide on the problem that everybody in America says is the most serious problem.

I remember, Peter, being at a place with you where I used the phrase—you may not remember it—that an American citizen had a much greater chance of being killed by a drug addict than by a Russian missile, by a factor of maybe one to a million.

We even tried to divert defense money, a small portion, in your day, Bud, out of that, on the floor of the Senate.

Having said all that, the request we now have is, that I now have, the Senator from Florida has, and others, is that, as we attempt to divert moneys into the drug effort, what portion of those moneys—I am not looking for a dollar figure—but what portion of those moneys, what percentage of those moneys should we be looking to divert to the foreign effort, the eradication effort? And second, those efforts in foreign countries such as forfeiture which are not necessarily eradication in a direct sense, going out in the fields, and those efforts that relate to targeting cartels, eliminating the cartel, the leadership of the cartel, or going after the labs in these countries, which all three of you know much more about than I am ever going to learn, but they are relatively difficult to spot. These labs are not like, you know, Farbin Chemical Co., you know, sitting out in the middle of some small town.

My question is, What percentage of the effort, if you could put together the entire funding mechanism for the Federal Government, and assuming we are able to increase the funding effort tenfold, five-fold, what portion of it would be devoted to activities relating to eradication, going after the labs, forfeiting, what efforts in other countries would you be looking to?

I will start with you, Joe.

Mr. ARPAIO. Money is not everything, it is not a panacea. Billions and billions still will not solve the problem, as I say, unless it is properly managed. Do away with duplication, overlapping agencies, and the charade of reorganizations, and so on.

Traditionally, go way back in history, the secret was to go to the source. The closer you get to the source, the better you are. That should be where the priory is. That is how we stopped the French Connection, overseas; we did not stop it in this country. You have to go to the source.

We do have many priorities in the United States. We still have our education, which I do not think should be part of a law enforcement agency.

Statistical gathering should be another responsibility, not DEA——

The CHAIRMAN. But you still think, Joe, that going to the source is an important element of the solution?

Mr. ARPAIO. A critical element. I was coming to a percentage, which means nothing, but I would like to see, if I was in charge, at least 40 percent of our budget, 40 percent. Realizing we have many other responsibilities here in the United States, dedicated to foreign countries politically, diplomatically, intelligence, and enforcement. The theory: if it does not come across our border, other than

California's problem, you are not going to have a problem. You are not going to have a demand problem.

Mr. MULLEN. I repeat what I said earlier. These foreign countries are not going to solve our problem for us. We ought to emphasize activity in this country.

I would give just about zero to eradication because it is not working overseas. But I would say about 20 percent. If we had, as you said, just what we needed, I would say about 20 percent of it should be dedicated overseas to going after those very laboratories you do see there. We do have ways of locating them and identifying them. And as Peter Bensinger said earlier, go after the financial institutions. That is where they are most vulnerable, in my opinion.

Mr. BENSINGER. I am probably in-between. I would like also say, Senator, your memory is outstanding. I can remember some discussions about obfuscation and the budget departments going back many years as to what is enough. We certainly have not had enough funds in this.

I would also say it is not just money. The key person at the State Department used to be a man named Ben Reid. He was in charge of something called MODE. That was the number of people that were allowed in an embassy in a foreign country. He had more power than anybody. And if you wanted to get four more agents in Colombia, you had to go through Ben Reid, or the Secretary of State, who we did not speak with.

So, it is not just money, but a lot more has to be provided. I also would say that if you put money in the Defense Department budget, which you have done, and needed to do, they have got to spend it, on flying over the Gulf of Mexico, on flying outside of California, and sending those EC-2's, not on training. And just making sure the budget dollars are there so you do not get into a big argument about who pays for it.

So, part of it is, yes, I would put money—I would not discount eradication, because it did work in Mexico. It is an important deterrent. It is an indication that any country, including our own—I would use our National Guard to destroy the marijuana fields in national parks throughout the United States. In fact, I mentioned that to Bill Bennett when I saw him. That is the way to use the National Guard. We grow pot in all 50 States. Let them help the State of California and Louisiana and Arkansas and Oklahoma if they need assistance.

I would certainly put a lot of emphasis on foreign money flow. A lot of money is needed to provide the kind of information, on investigations, laboratories, crop locations, and the trafficking. Since 90 percent of the drugs do come from overseas, 20 to 30 percent of our effort—it is a lot, because we are probably spending now 5 percent of it—would be a significant increase.

The CHAIRMAN. One last question for both of you gentlemen. In your recent past incarnations here as Director, how, if you were going to project, assuming that we were able to be much more successful in source countries, by whatever means, and thereby significantly reduce the amount of whatever was coming, finished product or raw material coming from that country, what does your intelligence tell you, from your past and keeping up with it, how long would it take before they are synthetically substituted in the

United States? Is that realistic. If we eliminated all drugs coming into the country, how much of a problem, of our present problem would we have with the various drugs, whether it is hallucinogenic drugs or cocaine or heroin or whatever?

Mr. MULLEN. They may start immediately, in my opinion. And this is one of the claims on the part of our foreign critics, and I have seen this on foreign television when visiting Latin America, that we want to eradicate the crops down there so that we can profit in this country from the synthetic products. This is what some people really believe we want to do.

I believe that the replacement would be almost immediate. They would grow here. They would grow indoors. There would be synthetic production. You would probably see increased diversion from the licit industry.

Mr. BENSINGER. I do not think so, although Bud and I have agreed on most of the issues. I just express my own opinion. I think if you destroyed the coca bushes and the cocaine labs, you might get some more methamphetamine, yes, it is a powerful stimulant. But I do not think it would anywhere approach the levels of the overdose deaths that are averaging five a day today, the emergency room incidents that you presently have.

A 100 percent of our heroin is imported. A 100 percent of our cocaine is imported. Seventy to seventy-five percent of our marijuana is imported. I do not think you would find a replacement from the synthetic or domestic grown markets within 5 years, much less 5 months.

Mr. ARPAIO. I agree with the administrator, that people just like marijuana and heroin and crack and cocaine. I am not saying they like it, where it comes from, but that is their type of drug. I think if you were going to have heroin laboratories in the United States, I think we have had a couple, it would be cropping up, the cocaine labs. It is something to watch out for. But the main thrust, it is coming in from other countries.

The CHAIRMAN. Senator Graham.

Senator GRAHAM. Thank you, Mr. Chairman.

Mr. Bensinger and also Mr. Mullen made comments relative to the central role which financial institutions in the laundering of disposal of money has in the international dimensions of drug control. I wonder if you could expand on those comments and specifically your observations of the efficacy of the current money laundering statutes under which we are operating and any recommendations for reform.

Mr. BENSINGER. Senator Graham, I think the opportunities overseas are probably greatest in the money forfeiture arena. I do not have personal knowledge because it has been 8 years since I have been accountable and involved directly with the foreign treaty situations. I have tried to keep abreast of it.

More countries, including recently the Cayman Islands, do provide for an exchange of criminal information on assets. And I think that the key issue would be to have in place in countries like Colombia, Peru, Bolivia, Mexico, Thailand, really no country should try to be exempt from this, a provision by which funds traceable to, intended to be used for, or derived from a violation of the psychotropic convention on illegal drugs would be forfeitable. Those coun-

tries have signed that psychotropic convention. The forfeiture provisions, if amended in their own individual countries, as it is now in the United States, would enable a government law enforcement agency to go in and pick up the funds of Mr. Ochoa or Carlos Leder or Gallardo in those foreign countries and return those assets, maybe not to the United States, but to the foreign governments in those countries.

I think, Senator Graham, that would have a major impact. It took us maybe 4 to 5 years to tool up. I know I was administrator when the first forfeiture bills passed, during Bud Mullen's administration, I think the amounts increased from like a $100 million we were seizing to currently it is about $1 billion a year or more, just one agency. And I am not talking about yachts and I am not talking about cars; I am talking about real estate, stocks and bonds, cash, liquid assets.

That forfeiture, that money target, I think, would do more for those foreign countries, both from the standpoint of helping themselves, raising the standard of living, providing for the poverty, replacing the drug barons as the Robin Hoods.

Mr. MULLEN. I think the current laws are effective. We have not been using them effectively. We are beginning to. I think what is needed are treaties such as the agreement with the Swiss Government whereby if we can identify accounts in Switzerland as being derived from drug trafficking activities, the Swiss will move in and seize that account. They retain the funds in Switzerland, they do not send them back to the United States or anything like that. But if we could work out similar treaties with other countries, Panama being one example, I think we would go a long way toward crimping the style of the drug traffickers.

I think it is probably the most effective tool we have.

Senator GRAHAM. In the earlier panel I raised the suggestion that has been made of a hemispheric summit of the democratic countries concerned about this issue. Would you feel that that might be a forum in which we could generate some common interest in the adoption of this type of a nation-by-nation attack on the money chain of the drug cartels?

Mr. MULLEN. Peter Bensinger mentioned earlier some of the groups we have working now, the international drug enforcement conference, which I believe was started by Peter some years ago. The law enforcement officials meet the Italian-American Canadian Conference, the French-Canadian American—Italians are included in it—very effective. But I think a meeting of the leadership, the top—depending who attended, if you had the presidents of these countries, yes, I think it would be very effective, very symbolic if they made some hard decisions at such a conference.

Mr. BENSINGER. I think anytime you get your chief of state committed on the issue, it is helpful. So, I would think that would be useful. I think the issue would be to try not to stage-manage the Conference. I think a lot of these heads of state are recognizing that their own fundamental governmental systems are at stake, both from the standpoint of threats from terrorist organizations and from narco traffickers taking control of some of the legislative positions.

But it has got to be followed up with implementation of what these heads of state say they want to do. And that is the forfeiting of assets of the traffickers. That is exchanging criminal information.

Maybe one use of the U.S. military would be military equipment, if not the soldiers themselves, availability of helicopters and radar equipment that could be manned by contractor employees, which did happen in Mexico initially and then was taken over by the Mexican officials themselves.

Senator GRAHAM. Let me ask one last question, and this may be outside of your particular area of experience and expertise.

The drug issue in this country and in the source countries is at its root an economic problem. We have a commodity that people are willing to pay large sums to secure, and others are willing to take great risk in order to supply that demand.

One dimension of this internationally is it represents a significant source of income to people who but for this would be in substantially reduced economic circumstances. And I am not talking about the lords of the industry but the people at the lower level. What could we do in terms of alternative economic substitution, agriculture or otherwise, to try to recognize and deal realistically with the economics of the success of our efforts at dislocating or eliminating drug production?

Mr. BENSINGER. I am less optimistic that we can give you a crop substitution plan that will work. That is not to say that it has not been tried. In a couple of villages in Thailand the prince has put in growing pyrethrum, growing coffee instead of opium. But out of a dozen villages there that have done this, there are 500 that have not.

I think the risk-reward ratio is the key issue in every country, including our own, on drugs, the risk-reward. For using it, what is the risk that I stand? Probably not of getting arrested, in America. In these foreign countries where the growers, the farmers, are getting paid cash four times what they would have made had they grown a legal crop, there is not the likelihood of their being arrested, not the likelihood of their losing their property, not the likelihood of their being discommoded. They are getting some benefits. There is not much of a risk to do it. In Mexico in 1977-1978 when they did a lot of spraying, the wives of the families of the growers ended up dumping tons of marijuana in the streets because they were tired of helicopters flying over their houses shooting at the homes. The risk-reward ratio for a couple of years in Mexico changed. I am not saying it always will change in that country or in any country, but that is one of the problems.

I'd try to get the growers' money through forfeiture rather than crop substitution. That is not to say—in Colombia I would let them export flowers. It is a great product for them. We are probably trying to protect our Hawaiian flowers.

In Peru I would try to let them export fishmeal or maybe plant more coffee. But I am not overly optimistic that you will get a one-to-one tradeoff and stopping illegal crop production will give you the same amount of cash that you could get if you grow an illegal coca bush or an illegal marijuana cannabis plant.

Candidly, I am somewhat pessimistic that overseas that would take place any more than what would take place in some of the forests of southern Oregon or northern California.

The CHAIRMAN. Gentlemen, I have about 50 questions for you here. I am going to ask one last question. It relates to, some of the people on the next panel that will be testifying are—and I do not pretend to have the expertise you fellows have, all three of you. But in the years I have been trying to learn something about this, I was about as impressed with the group that came by to see me last week, I guess about six or eight folks, some of whom are on the panel now, and they were I found extremely impressive but also a little bit discouraging. I do not want to hurt their feelings since some are going to come up and testify in a moment.

One of the things—I do not want to steal anyone's thunder, but in putting these panels together, it is always hard to decide who to have go first or last because I would like people to comment on what they have heard. I would like to be able to rotate this and have you all come back for a second round.

One of the points made was, often what you have indicated, Peter, the crop substitution, not many people look for it to be the panacea for eliminating production in those countries. And second, there are a lot of other political problems associated with this.

The following economic point has been made to me, and I would like you to comment on it. That is that even if you went out and through eradication increased, doubled the cost of production, made it twice as hard, twice as difficult, twice as expensive—all you can really do is up the ante because we all acknowledge you can slide into the Brazilian jungle, you can move into parts, I mean there are places all over the world where this could be done. That it is better to spend our buck in going after the material that we are trying to seize, eliminate, where it costs the trafficker a lot more to lose it. And so if you seize a pure kilogram equivalent at the farm, it is going to cost $1,200, if you seize it in Detroit at the wholesale market, it is $40,000, if you seize it at the retail price, it is $250,000. So, you made it twice as expensive to, at the retail market theoretically or twice as expensive at the farm through your efforts because of seizures going up significantly. The impact is much greater further down the chain than back in the chain. Therefore, you should target your resources further down the chain.

How do you respond to that notion?

Mr. BENSINGER. I would respond that there is one point we have not talked about, and that is when they cut and step on the drug. When you are seizing it at the farm, when you are seizing it at export or even at import, you are getting 90 percent pure dope. When you are dealing at the wholesale and retail level, you are getting, in the case of cocaine, cocaine cut at 14 percent. And a lot of it has already been distributed. Sadly and tragically, those prices are probably eight times higher than today's retail price of cocaine. It is selling for $40,000 a kilo today in big cities; two bucks a bottle of crack.

So, we know there has been a tremendous increase in importation. But there is certainly something to be said for pulling out the availability of the supply in the United States. The closer you get

to the retail market and the higher up in the price, the lower the purity, the more of the original drug at the farm location will have been distributed.

So that would be my caution to you, at adopting that policy alone.

The CHAIRMAN. Bud?

Mr. MULLEN. I agree with Peter.

I really do not like the idea about the farm because that is what is causing so much resentment and is giving the terrorist movement so much support down there when we take from the campesinos in South America. I like the idea of getting it further along the line, export, import, and wholesale. Like Peter, I think one thing is missing from the chart, and that is seizing the profits after the drug traffickers have sold the drugs. This is a fair concept, in my opinion.

I do not think we can emphasize or deemphasize any one level. I think you accomplish something at whatever point you seize it.

The CHAIRMAN. Joe?

Mr. ARPAIO. I agree. I think every country is different, however, and if you can go to the farm and it is political expedient, we should do that, and do anything possible to keep it from reaching our borders. You have to stop it before it gets across the border.

The CHAIRMAN. Gentlemen, with your permission, it will not be new to you but it will be harder because you do not have staffs anymore, at least not the ones you used to have, I would like to send you a few questions if I may. One is about Operation Snowcap, which I had hoped to get into, and also the use of the military. I ask for your input.

Without objection, that will be inserted into the record.

[Additional questions and answers follow:]

May 2, 1989

Mr. Scott Green
Senate Judiciary Committee
224 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Mr. Green:

Reference letter dated April 27, 1989 from Sen. Joseph R. Biden Jr., Chairman, Caucus on International Narcotics Control, requesting responses to questions from Sen. D'Amato, enclosed.

Cooperation between DEA agents (formerly BNDD) and Mexican law enforcement officials during the early 1970's was excellent. It should be noted that the Nixon administration, under the leadership of U.S. Attorney General Mitchell and Dep. U.S. Attorney General Kleindienst, initiated OPERATION INTERCEPT which in essence closed the Mexican-U.S. border for approximately two weeks during the latter part of 1969 with the ultimate mission to crack down on "marihuana" smuggling across the border. The program was not an operational success and did result in bitterness between Mexico and the U.S. (I was in charge of this operation representing BNDD).. Upon completion of INTERCEPT I was transferred to Mexico City as the Regional Director for Mexico and South America. This was a difficult assignment due to the animosity carried over from INTERCEPT. However, with the assistance of Dep. Attorney General Kleindienst, who made many trips to Mexico relating to the drug problem, we enjoyed in my opinion the most successful cooperation in the history of Mexican-U.S. relations. The U.S. ambassador to Mexico was also an important figure by allowing me to meet directly with the President of Mexico. In addition, the Mexican Attorney General and director of the national police were guests at my residence on many occasions. Mexican officials and drug traffickers realized this close personal and official relationship. Consequently, the corruption and compromising of our operations were kept at a minimum. Not once was an investigation conducted by BNDD agents compromised. In fact I prepared a list of suspected high level corrupt officials and personally gave this list to the president of Mexico. It should be noted that top French Connection international drug traffickers were using Mexico as a transit area. These violators were well financed. We were able to immobilize this organization working as a team. President Nixon's top foreign policy issue (DRUGS) enhanced cooperation between the two countries. Unfortunately, cooperation between the U.S. and Mexico has deteriorated during the past several years. At the present time relationships seem to be improving. Top level talks and mutual respect between officials is necessary to continue improvement. The Mexicans are a proud people. More can be accomplished on a Personal Basis than a "get tough" attitude. Once again, in the early 70's, the Mexicans proved what can be accomplished when national pride, political will, resources and innovation are focused on the drug problem.

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The mass infiltration of drug traffickers in Mexico today is not unusual. In the 70's we had the same type of infiltration, however at that time the international heroin traffic was dominant. Today, Cocaine is the major transit type drug involving Mexico and the U.S. border. As cited previously, corruption did exist among government officials. However, because of a close relationship between Presidents and Attorneys General of both countries, we were able to accomplish our mission and actually reduced the availability of heroin into the U.S. by 66%.

I do not believe in sanctions at this time. We must continue high level discussions between government officials, increase operational and intelligence gathering and have congress continue to apply pressures toward Mexico and the executive branch of the U.S. government.

In conclusion high level talks must increase between U.S. and Mexican officials on an official and "personal basis"....We must establish mutual trust and respect.

We should increase operational funding (within reason and properly managed) and designate a primary U.S. agency (possibly DEA) responsible for drug enforcement and intelligence gathering, thus alleviating "turf" battles which traditionally has disrupted our drug mission and success.

We must admit that the U.S. also has a corruption problem. Possibly, closed meetings between top U.S. and Mexican officials discussing the corruption problem on both sides of the border would be politically beneficial.

Sincerely,

Joseph M. Arpaio
U.S. Drug Enforcement Adm. (RETIRED)

QUESTIONS FROM SENATOR D'AMATO

QUESTION FOR JOE ARPAIO, HEAD OF DEA'S MEXICO PROGRAM IN EARLY 1970'S:

QUESTION: HOW WOULD YOU CHARACTERIZE THE RELATIONSHIP BETWEEN DEA AGENTS AND MEXICAN LAW ENFORCEMENT OFFICIALS IN THE EARLY 1970'S? HOW WOULD YOU CHARACTERIZE THEIR RELATIONSHIP TODAY?

FOLLOW-UP: WHAT HAS CONTRIBUTED TO THE MASS INFILTRATION OF NARCOTICS TRAFFICKERS IN MEXICO TODAY? WAS NARCOTICS-RELATED CORRUPTION AMONG GOVERNMENT OFFICIALS A PROBLEM IN THE EARLY 1970'S.

FOLLOW-UP: WHAT SHOULD U.S. POLICY BE TOWARD MEXICO? ARE SANCTIONS THE ANSWER?

The CHAIRMAN. I appreciate it an awful lot. It is good to have you, all three of you, back. I hope you will be willing to maybe enlighten us again a little bit as we go down the road and try to narrow this down.

Our next panel is a distinguished group of, it says, academicians. I am not sure they all want to be characterized as academicians. Our next panel is made up of Peter Reuter, Senior Economist of the Rand Corporation. Rennselaer Lee is author of consultant with Global Advisory Services. Richard Craig is a professor of political science at Kent State University.

Welcome back, gentlemen. I am sorry you had to come back so quickly and wait so long. I am happy to have you here.

I will enter more of your bio of each of you into the record, without objection, except to say that everyone should go out and buy White Labyrinth and make your wait worthwhile.

PANEL CONSISTING OF PETER REUTER, SENIOR ECONOMIST, RAND CORP.; RENNSELAER LEE, AUTHOR AND CONSULTANT, GLOBAL ADVISORY SERVICES; AND RICHARD CRAIG, PROFESSOR OF POLITICAL SCIENCE, KENT STATE UNIVERSITY

STATEMENT OF PETER REUTER

Mr. REUTER. Thank you, Mr. Chairman.

I would like to submit my testimony for the record and just briefly summarize.

The CHAIRMAN. It will be placed in the record, without objection.

Mr. REUTER. Source country programs, which is what I will deal with primarily, whether they be crop eradication, crop substitution, or refinery destruction, hold negligible prospect for reducing American cocaine consumption in the long run.

I believe that the chart that you introduced here helped basically to make that point.

The conclusion does not rest on the well-known frailties of the source country governments, particularly that of Peru. Even if the Peruvian Government were less corrupt, more stable, and more efficient, an intense eradication program is likely at best to cause a short-term interruption in the flow of cocaine to the United States. Forcing farmers to plant in smaller and less accessible fields would make a negligible difference to the U.S. consumers.

Similarly, even if the source country governments were able to provide the stable local conditions needed for delivery of the services that are necessary to make alternative crops viable in the major growing regions, it would not reduce the availability of coca leaf to refiners. Crop substitution programs involve, in effect, creating a bidding war between the government on the one hand and cocaine refiners on the other. Even if, as you suggested, refiners have to raise the price they pay for leaf by 100 percent or more to persuade sufficient farmers to continue to raise coca, total U.S. demand will be negligibly affected.

Source country programs are nonetheless important. They can have substantial impact on the source countries themselves, for better and for worse. Crop eradication programs may increase the power of guerrilla movements by raising peasant antagonism against the government. That is of particular importance in Peru.

Crop substitution programs, on the other hand, may help the central government increase its authority. Given American interests in promoting stable democratic governments in these countries, serious attention should be given to how individual programs actually affect the source countries.

There is another dimension in which source countries benefit from control programs. There are continuing reports of growing use of refined cocaine products in all the source countries. Because drug distribution costs are so much lower in these nations than in the United States, increasing the leaf price or increasing refining costs may cause substantial rises in local drug prices. Thus a potentially important consequence of source country control programs may be reduced consumption of bazuco and cocaine in Bolivia, Colombia, and Peru.

Pessimistic though the analysis is concerning how U.S. cocaine consumption might be affected by these programs, it certainly does not justify the elimination of those programs. Current international program expenditures are about $200 million. With a Federal drug budget of over $4 billion and a total Government effort, including State and local expenditures, of well over $10 billion, the source country programs get a very modest share. They may do enough good to justify those expenditures. It is more difficult, though, to see that a large increase, particularly in the crop substitution efforts, can be justified on drug control grounds. Their justification lies much more in general international development concerns and perhaps in a sense of guilt that it is the U.S. failure to restrain consumption at home which has led to the escalation of problems in the source countries themselves. Thank you.

The CHAIRMAN. Thank you. Without objection, your prepared statement will be inserted into the record.

[The prepared statement of Mr. Reuter follows:]

Statement
of
Peter Reuter
The RAND Corporation
Santa Monica, California

Mr. Chairman and members of the Caucus, thank you for the opportunity to appear here today. I am a senior economist in Washington Office of the RAND Corporation. The views I will express, however, are my own; they do not necessarily represent those of the RAND Corporation or any of its research sponsors.

Over the last five years I have conducted a number of studies of drug policy, mostly focusing on the interactions between drug enforcement on the one hand and those involved in drug production, smuggling and distribution on the other. To-day I will draw on those studies to analyse the consequences of increased expenditures on source country control programs and drug interdiction, focusing primarily on how such increases affect U.S. cocaine consumption.

Since others more knowledgeable than I can testify about political conditions impeding implementation of source country control programs, I will restrict my testimony to the likely affects of successful implementation. In particular, I shall argue that even if source country governments are willing to implement them, these programs offer little prospect for substantially affecting U.S. cocaine problems

ANALYTIC FRAMEWORK: RISKS AND PRICES

The analysis here focuses on "risks and prices". Its basic assumption is that supply-side programs focusing on parts of the distribution system distant from the consumer can only affect the price paid by the consumer. Such programs cannot restrict the physical availability of cocaine in the U.S. There are simply too many farmers, refiners, exporters and smugglers for enforcement to directly limit the amount available for U.S. consumption to, say, 100 tons per annum; I shall make some comments in justification of that assumption in the course of testimony. The question then is how the international

programs affect the risks and other costs of drug suppliers and how that in turn will affect retail prices in the U.S.

Each kind of supply-side program directly affects a particular sector of the cocaine production/distribution system. For example, crop eradication raises the risks and costs faced by farmers; that should be reflected in the prices that refiners have to pay for leaf in order to induce enough farmers to stay in the business. Similarly, refinery destruction, by raising the risks and costs of refiners, should increase the difference between the price refiners pay for leaf and the price they receive from exporters when they sell the refined product. Programs may have indirect effects on other sectors but the primary effect is sector specific.

Prices

An analysis of the price of cocaine at different points of the production and distribution system points to the inherent limits of international programs, particularly those that focus on the farm sector. Table 1 presents the price chain for 1986. The figures are very rough; for example the price of leaf required to produce a kilogram of cocaine may be anywhere between $500 and $1500. Nonetheless, three points are very clear and not likely to be affected by any measurement problems, nor to have changed since these rough estimates were made in 1986.

First, leaf production accounts for an absolutely trivial share of the final price of cocaine to U.S. consumers; probably much less than 1 percent of that price. Second, even by the time the cocaine reaches the point of export the price is a still less than 5 percent, indeed perhaps only 3 percent, of the retail price. Third, smuggling costs (including the profits of smugglers) account for less than 5 percent of the retail price. Only if international programs can dramatically increase the risks and costs of these upstream components of the cocaine industry will they be able to make a difference in the United States. In the remainder of my testimony I wish to suggest why such a difference is unlikely to be attained.

Table 1

COCAINE PRICES THROUGH THE DISTRIBUTION CHAIN
(PER PURE KILOGRAM EQUIVALENT, 1986)

At the farm	$1,200
Export (Colombia)	$7,000
Import (Miami)	$20,000
Wholesale (1 kg. in Detroit)	$40,000
Retail (1 gm. units)	$250,000

SOURCE COUNTRY PROGRAMS

Why should growing and refining be inexpensive compared to the costs of distribution within the United States? First, the factors involved in production and refining are very cheap. Bolivian farmers charge very little for their land or labor, compared to their American counterparts; their alternative earnings opportunities are very weak. The refining sector also uses very low cost factors of production. Second, the risks imposed by source country governments appear to have been quite modest. Farmers face little threat of losing their crops, refiners and distributors even less risk of going to prison, though in-country seizures of refined drugs have gone up substantially. Despite our concerns that convicted drug dealers face too slight a prospect of prison time in the U.S., dealer risks of incarceration are almost certainly much higher here than in the source countries.

The Farm Sector

Can farmer costs be greatly increased through eradication? The experiences of the few intense eradication programs does not justify much optimism. Mexican opium growers were subject to an effective eradication effort in the mid-1970s. At the time they were growing their poppies in large, open and accessible fields. Initially the

program was successful and reduced the production of opium in Mexico, all of which was destined for the U.S. heroin market. Since the distribution channels from other production sources could not readily expand, this had a significant impact on American heroin consumption.

Within five years, though, the Mexican industry had reestablished itself, with smaller fields, located in more remote areas and better protected from aerial spraying. The probably higher growing costs of Mexican opium farmers in the early 1980s does not seem to have led to any significant increase in the price of U.S. heroin.

American marijuana producers have similarly adapted to the increasing intensity of the domestic eradication effort, moving their plants indoors (thus lowering their exposure) and using better growing techniques to increase per acre (probably per square foot) yields. Prices, adjusted for higher THC content, have risen only modestly.

These experiences suggest the likely effects of intense eradication on the coca industry. Very exposed areas such as the Upper Huallaga Valley in Peru or the Chappare region of Bolivia, where coca is grown in large open fields, may be essentially eliminated from coca growing. More will be grown in areas, such as the Brazilian jungle, in which eradication is much more expensive and difficult. No doubt the leaf price will rise as farmers have to use less productive land and spend more time getting the leaf to refiners etc., but it seems highly unlikely that it will rise enough to increase U.S. cocaine prices noticeably. A tripling of the leaf price, so that $3,600 were needed to purchase the leaf for a kilogram of cocaine, would still increase cocaine prices in the United States by only about 1 percent.

It is of interest to consider whether coca eradication could produce the medium-term disruption achieved by the Mexican program. Two differences seem to me important. First, a good deal of coca is grown for other markets; big cuts in production would lead to less use of coca and coca products in the source countries rather than the U.S. Second, production is more dispersed, making it more difficult to eliminate most of it in a short period of time. A "pre-emptive" strike against the exposed areas is unlikely to cause disruption comparable to that achieved in Mexico in the mid-1970s.

Crop substitution programs offer no more long-term promise. They rest on the assumption that, through provision of improved infrastructure, subsidized fertilizer/irrigation, perhaps even price supports, legitimate crops can be made attractive to the peasant farmers who are current growing coca leaf. That assumes the price of coca leaf will stay fixed. However, the elasticity of demand for cocaine in the U.S. with respect to the price of leaf in Bolivia is essentially zero. Cocaine refiners will be willing to pay very much more for coca leaf if they need to and will be able to fully pass on that increase to U.S. consumers with only negligible reduction in consumption. Peasant farmers will be better off with substitution programs that improve their productivity. but the flow of cocaine will be only very slightly diminished.

Refinery Destruction

Since the mid 1980s, as the limitation of crop eradication have become more obvious, the U.S. government has promoted programs aimed at destruction of cocaine refineries. Thus the U.S. Army, at the invitation of the Bolivian government, sent in troops and equipment in the summer of 1986 to assist Bolivian military and police units eliminate local refineries. The U.S. government also regularly reports the number of refineries destroyed in source and transshipment countries.

The rationale for these programs is that, by raising refiners' costs and eliminating refining capacity, they will lower the demand for illicit leaf and thus lower leaf price. With lower leaf price peasants will have less incentive to grow coca. At the same time these programs have the considerable attraction of not imposing direct costs on peasant farmers. Thus they generate less political unrest.

Alas, there is again less to this than meets the eye. Cocaine refineries are not like oil refining plants; they need involve no significant capital plant, frequently being constituted instead of very simple equipment, located in a primitive shack. This was the kind of facility turned up by Blast Furnace. They are easily and cheaply

replaced. Refinery destruction is probably little more than the elimination of a specific location for a short period of time.

The official interest in refinery destruction bears some similarity to the American military attitude toward the destruction of "Viet Cong" arms factories in the early 1960s; these factories were in fact very *ad hoc* and temporary structures, using indigenous and scrap materials to fabricate primitive light weaponry. Neil Sheehan, in his recent book on the Vietnam war notes that field U.S. officers had "the impression that the words 'Viet Cong hamlet' and 'VC arms factory' conjured up in [the general's] mind World War II images of a German barracks and a munitions plant." (p.111). Some major cocaine refineries have been found, with true barracks and landing fields, but forcing refiners to be more covert offers no prospect for raising refining costs to a noticeably higher share of the retail price, given that small refiners do successfully compete in the industry currently.

Operation Blast Furnace, the U.S. Army 1986 support for Bolivian refinery destruction, is a case in point. The immediate effect of the operation was indeed a decline in leaf price; according to press reports, leaf price fell by 70 percent. However, consistent with rapid restoration of refining capacity, it is reported that leaf price had risen to almost 90 percent of its earlier level six months after the completion of Blast Furnace.

INTERDICTION

Let me now turn from source country programs to interdiction. My analysis here comes from a 1988 study published by the National Defense Research Institute at RAND and commissioned by the Under Secretary of Defense for Policy.

Despite the increased seizures of cocaine between 1981 and 1988, the import price of cocaine, and the smugglers' margin, decreased dramatically over that period. More cocaine entered the country and entered in larger bundles; 100 kilogram seizures which were front page news in 1981 were barely mentioned in 1988 when some seizures amounted to more than a ton. The interdiction program has not succeeded in raising the costs of smuggling, notwithstanding the increased seizure

rate and rising length of prison sentences. The explanation for this failure may lie in declining replacement costs for seizures, and adaptation and learning by smugglers.

The export price of cocaine has fallen substantially since 1981. As a result it seems likely that smugglers now will spend less to protect their drugs. Precautions are expensive. A smuggler whose cocaine costs $10,000 per kilo will spend more to protect it (for example, looking for the greedy local sheriff) than will a smuggler whose replacement cost is only $5,000 per kilo. He may also find it sensible to send larger shipments in a single load. The transportation costs are the same for a 200 kilo shipment in a private plane as for a 100 kilo shipment. The pilot's risk of long term imprisonment is also the same. A smuggler who wants to get across 200 kilograms a month will be more likely to do it in one, rather than two, shipments when the price of cocaine falls.

Thus a lower price for cocaine in Colombia will induce smugglers to send larger shipments by methods that are more vulnerable to the interdictors. The increasing seizure rate of recent years may represent not only improving performance on the part of the interdictors but also the change in the economic incentives of smugglers.

Simple arithmetic shows how little the seizure of the drug itself can affect the retail price of cocaine. Assume for the moment that instead of seizing 20 percent of all cocaine shipped from Colombia, the interdiction agencies were able to seize 50 percent. The present retail price is approximately $250,000, which includes compensation for lost drugs. If an additional 30 percent of drugs are now seized, the kilo sold in the street must incur an additional $6,000 in replacement costs, assuming that a kilo costs the smuggler as much as $20,000 to replace. Thus our very successful drug seizure program would have added less than 3 percent to the retail price of cocaine.

An analysis of labor costs is no more encouraging. The problem here is simply that smugglers of cocaine need very little skilled labor per kilogram. Even if their workers demand high compensation for the risks of long prison terms, it will have little effect on the landed price of the drug.

Consider the pilot who flies in 250 kilogram shipments over the Mexican border. A fair guess is that he now receives about $250,000 for incurring the risks of the business, both of attempting to land under difficult conditions and of going to prison. Assume now that we have much more effective interdiction, i.e. the probability of a pilot getting caught substantially rises and/or he faces a much longer prison term if caught. The pilot then triples his demands and now will make the trip only if paid $750,000. This adds only $2,000 to the per kilogram cost of bringing cocaine to the U.S., less than 1 percent of the retail price.

The tale is even more discouraging when we consider the other types of labor used by smugglers. Pilots presumably value their freedom fairly highly; they have, after all, prospects of reasonable earnings in legitimate positions. The same cannot be said for crewmen on ships coming up from Colombia. Their earnings from other employment may be very modest indeed and the rigors of a U.S. federal prison may not appear too daunting when compared to life on a Colombian fishing vessel. They already face at least a one in nine chance of being arrested on any marijuana smuggling trip and the federal judiciary is not lenient in these matters; in South Florida the average 1986 sentence was 46 months for those caught by the Coast Guard. Nonetheless, it is believed (unfortunately a stronger statement is not possible) that the crew members earn only about $15,000 each for taking the trip; the master may get as much as $25,000. Total crew costs are probably between $100,000 and $150,000. Even if better interdiction were to double this, it still would add little to the cost of bringing in a kilo of cocaine, assuming that smugglers are willing to put aboard 100 kilograms at a time.

Adaptation

The problem of interdiction is made even more complicated by the fact that smugglers have shown an ability to adapt to changes in the strategies of interdictors. When, in the early 1980's, the Customs Service improved its radar surveillance of the South Florida Coast,

then the primary entry point for both cocaine and marijuana, smugglers changed their methods of bringing in the drugs.

In the case of marijuana, as the Coast Guard increased its efforts against sea-borne traffic into southern Florida, the smugglers shifted to smaller loads. Whereas the average seizure in 1978 was 9.0 tons, by 1986 that had fallen to 4.6 tons. The result was an enormous dilution of the efficacy of maritime interdiction. It takes the same resources to interdict a 5 ton shipment as to interdict a 20 ton shipment, particularly since the Coast Guard vessels must generally tow the smuggler back to shore for legal processing within a few days. Thus by halving the size of the average shipment, the smugglers practically doubled the task confronting interdiction agencies. Indeed, since smugglers now could use smaller boats, the interdictors had to sort through a larger number of potential smuggling vessels.

Similarly, cocaine smugglers shifted much of their traffic to other routes. In particular, there seems to have been a substantial increase in the amount of cocaine brought in through Mexico. Once in Mexico, and there are few barriers to entry from the south of that country, the drug may be brought across by small plane, private vehicle or even by sea at relatively low risk.

Simulation Results

An effort to simulate the effect of increasingly effective interdiction, through a formal mathematical model, indicated little impact on U.S. cocaine consumption. In the model, interdictors seized increasing quantities of cocaine, even increasing shares of total shipments. They were, however, only able to reduce total consumption by more than 5 percent when they could raise the risks for almost every mode of bringing in the drug. And there lies the rub; it is hard to see how all the many and disparate methods of bringing in the very compact drug could be made very risky.

We built a model in which smugglers had to make a choice among different routes for bringing in cocaine. Each route was associated with a particular combination of risk and transportation/personnel costs. As the interdictors raised risks along a particular route, the

smugglers were induced to shift away from that route and send more of their shipments along alternative routes. Raising the probability of interdiction increases the smuggler's costs since he must now face higher drug replacement, transportation, and labor costs. With little hard data available, assumptions were made that favored the interdictors. For example, we assumed that labor costs were very sensitive to risk, so that raising the risk of being caught from one-quarter to one-half led to a quadrupling of the amount a pilot could demand for making the trip.

Even with these favorable assumptions, it proved very difficult to raise smugglers' costs enough to greatly increase the retail price of cocaine and thus reduce total consumption. In the model, smugglers had 11 routes available to them, 5 by air, 5 by sea and one by land; the land route represented transshipment through Mexico. The choices are shown pictorially in CHART 3. The interdictors were assumed to be able to raise risks on all the routes except the land route, in which the drug is, in effect, walked or driven across the border in small shipments. The probability of a shipment getting caught on the land route stayed fixed at 10 percent but other costs (particularly personnel) were assumed to be relatively high. This represents our pessimism that it is possible to do much about movement across the Mexican land border.

When we raised the risk of capture along one route from about one-fifth to one-half, smugglers negated this by shifting to other routes; their costs rose by less than 2 percent, or about $117 per kilo. It was only when six out of 11 routes were subject to the high risk that costs rose by more than 10 percent. Finally, when all 10 of the non-land routes became high risk smugglers' costs per kilo rose by $7663 or about 3 percent of the retail price. As more routes become high risk, an increasing share of total shipments were coming over the Mexican land border.

Learning by Doing

The analysis described above still suggests that more interdiction, even when smugglers adapt, raises prices. Yet more intense interdiction since 1981 has been accompanied by declining prices, contrary both to intuition and the simulation reported above. The explanation may lie in the phenomenon of "learning by doing" i.e. the fact that most individuals and organizations get better at their job the longer they do it. This is the basis for the famous strategy of the Boston Consulting Group in the early 1970's "investing in the learning curve".

Our conjecture, and it is no more than that, is that the rapid growth of the cocaine market has increased the number of experienced smugglers and that this has driven down the cost of bringing cocaine to the United States. Experienced smugglers can control their risks better than novices; they know more about the risks of particular methods of importing, have better connections with corrupt officials, can obtain better credit from their suppliers etc. In the early days (pre-1980), there were relatively few experienced smugglers and they could not, without raising their risks a great deal, provide enough cocaine for the entire market. Thus the price of cocaine smuggling was determined by the marginal smuggler, who was a novice trying to become a veteran.

Novices, if they are not caught, eventually become experienced. Interdiction does better against novices than experienced smugglers, precisely because the latter are better at avoiding interdictors. But if enough novices make it through, at least when the market is expanding rapidly, the stock of experience may grow relative to the size of the market. With enough experienced smugglers in the business, they can now supply the entire market and the price for smuggling services falls. This seems like a plausible account of why the cocaine import price has tumbled perhaps two-thirds since 1981.

Source Country Incomes

One unintended and unfortunate consequence that emerges from systematic analysis of interdiction concerns the source countries. Interdiction can impose costs on smugglers in a variety of ways but inasmuch as it is based on the seizure of drugs rather than raising personnel or transportation costs, it will increase the earnings of source country producers, thus exacerbating the problems with which the U.S. government is urging the source country governments to deal.

Seizures will generally raise total shipments from the source countries. Those additional shipments can only be obtained by raising the price paid to coca growers and refiners. Thus the increased seizures will raise source country income. Of course, higher seizures will raise smuggler costs and thus reduce demand, but only under special circumstances will the price increase reduce demand by more than enough to compensate for the seizure itself.

It is not inevitable that more successful interdiction increases export demand. If interdiction can make smugglers take more precautions and raise their non-drug costs (personnel, transportation or corruption payments), then it will reduce total shipments. It is difficult to determine whether that is a distinction in goals that can be achieved in practice.

CONCLUSIONS

Source country programs, whether they be crop eradication, crop substitution or refinery destruction, hold negligible prospect for reducing American cocaine consumption. This conclusion does not rest on the well-known frailties of the source country governments, particularly that of Peru. Even if the Peruvian government were less corrupt, more stable and more efficient, an intense eradication program is likely, at best, to cause a short-term interruption in the flow of cocaine to the U.S. Forcing farmers to plant in smaller and less accessible fields would make a negligible difference to the U.S. consumer.

Similarly, even if the source country governments were able to provide the stable local conditions needed for delivery of the services needed to make alternative crops viable in the major growing regions, it would not reduce the availability of coca leaf to refiners. Crop substitution programs involve, in effect, a bidding war between the government on one hand and cocaine refiners on the other; even if refiners have to raise the price they pay for leaf by 200 percent to persuade sufficient farmers to continue to raise coca, total U.S. demand will be negligibly affected.

Source country programs are nonetheless important. They can have substantial impact on the source countries themselves. Crop eradication programs may increase the power of guerilla movements by increasing peasant antagonism against the central government; that is of particular importance in Peru. Crop substitution programs on the other hand may help the central government increase its authority. Given American interests in promoting stable, democratic governments in these countries, serious attention should be given to how these programs do affect the source countries.

Pessimistic though these conclusions are, they do not justify the elimination of source country efforts. Current international program expenditures are about $200 million. With a federal drug budget of over $4 billion and a total government effort, including state and local expenditures, of over $10 billion, the source country programs get a very modest share. They may do enough good to justify those expenditures. It is more difficult though to see that large increases, particularly in the crop substitution efforts, can be justified on drug control grounds. Their justification lies much more in general international development grounds and perhaps in a sense of guilt that it is the U.S. failure to restrain consumption at home which has led to the escalation of problems in the source countries.

Interdiction has been a major component of the federal effort. Yet it offers scarcely any better prospect of reducing cocaine consumption in the United States and possibly has some very adverse affects on the source countries. Not knowing what is derived from expanding other

supply-side efforts, such as investigations of high level dealers, it is not possible to make strong statements as to what share of the federal supply-side budget should go to interdiction; however it is difficult to see the justification for expensive capital investments in equipment that is vulnerable to smuggler adaptation.

Let me end with a researcher's plea. Though the above analysis is more than mere speculation, it is highly speculative, simply because so little systematic data and analysis have been conducted on the international cocaine industry. There are, to my knowledge, no published studies based on the collection of detailed data about growing conditions or the response of coca farmers to changes in the economic circumstances. Data on prices and incomes in the coca farm sector are almost non-existent. International development agencies like the World Bank and IMF issue reports about Bolivia and Peru which make no mention of the coca industry, despite its centrality to the rural sectors of both countries. Deliberate ignorance about these matters does not make it any easier to design effective programs for reducing this industry.

I would be happy to answer any questions.

THE RAND CORPORATION

May 22, 1989

Mr. Scott Green
Senate Judiciary Committee
224 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Mr. Green,

Enclosed are my responses to the questions attached to Senator Biden's April 27 letter.

Yours sincerely,

Peter Reuter

Enclosure

RESPONSE TO QUESTIONS FROM SENATOR BIDEN

1 (a). Eradication programs certainly may have an effect on the availability of a drug in the U.S. in the short-run. For example, there is little doubt that the spraying of poppy fields in Mexico in the mid-1970s reduced the supply of heroin to the U.S. market. It took a period of perhaps five years for the growers to adapt and bring on line an equivalent productive capacity in more strategic location.

Can the same be expected from eradication of coca fields? It is important here to note that:

(1) The Mexican poppy fields were concentrated in a relatively compact area. Consequently it was possible to remove a large share of total production in a short period of time.
(2) These fields serviced only the U.S. heroin market. U.S. customers could not make up for the decline in Mexican poppy production by competing against other consumers of products refined from the same poppies.
(3) The refining and distribution systems connecting those poppy fields to U.S. heroin supply were specific to Mexico. The refiners and distributors could not connect themselves with other sources of heroin, such as Burma and Pakistan.

None of these statements apply to coca growing. Though much of the coca is currently grown in four relatively exposed areas in Bolivia and Peru, there is now a substantial production capacity in areas under jungle cover and scattered throughout the Andean region. Spraying of these latter areas is unlikely to be effective. Second, coca production services markets other than U.S. cocaine consumption; a reduction in coca production will be ameliorated by having refiners compete for leaf against Latin American consumers of coca leaf and refined products and European consumers of cocaine. Finally, the cocaine refining and distribution system appears to be much more international and adaptive

than the Mexican refining and distribution system; loss of fields in one country may well lead to increased purchases from others.

1 (b) Certainly, there is some level of eradication effectiveness at which total supply would be low enough that supply of raw material would constrain U.S. cocaine consumption. If only 50 metric tonnes of cocaine is produced in South America, as a result of persistent and effective eradication, then no more than 50 tonnes can be consumed in the U.S. The issue is whether such a reduction in production can be achieved.

1 (c) I do not have an estimate of how much cocaine would have to be seized (presumably by interdiction agencies) before the retail price would be raised substantially. 1988 interdiction seizures may have exceeded 70 tons, representing perhaps 25 percent of shipments; import prices rose slightly, if at all and retail prices probably fell.

2. My statement concerned the long-run consequences. If the seizure rate were to rise from 10 percent to 50 percent in a short period (perhaps 3 months), then indeed cocaine consumption in the U.S. might be substantially affected. However, if the rise is more gradual, so that growers can plant more and refiners, distributors, smugglers etc. have time to adjust, then the result is likely to be as described in your question i.e. total cocaine distribution costs would rise moderately and reduction would decline only slightly.

3(a) Clearly price is not the only factor determining a farmer's participation in coca growing. However for many farmers, particularly in a poor country, there is likely to be differential between what is available from legitimate farming and from coca growing that will induce them to grow coca. That still allows for the possibility that some of the present farmers would, if legal crops provided an adequate income, refuse to grow coca at any price. There simply have to be enough of the former kind who will grow it at some differential. I would be surprised if there were too few of this kind of farmer to provide the U.S. with the necessary leaf.

Clearly local government efforts at raising the probability that a farmer loses his crop or is otherwise punished will also affect the price that cocaine refiners must pay. However, unless you believe that

this risk can be raised extremely high, there is a compensating differential that will induce farmers to continue (more discreetly) their coca growing activity.

4 (a) Refinery destruction in a single country can affect the industry in that country. If refining cocaine in Bolivia becomes a high risk/cost activity, exporters will purchase refined product from refiners in other countries. It is no surprise that in the short-run, with refiners probably taking long-deferred vacations during Operation Blast Furnace, Bolivian refiner demand for leaf dried up and the leaf price collapsed. That does not indicate what is likely to happen over the long-run.

(b) DEA started publishing quarterly indicators of price and availability of drugs about the time of Blast Furnace. There was no sign there, or in any other domestic indicator, that cocaine was any less available during or immediately after Blast Furnace than before.

(c) Cocaine refineries have been found in both Mexico and the United States. Clearly some traffickers have decided that the optimal location, taking account of risks and other costs, is in the U.S. One response to increased control of overseas distribution of U.S. chemicals used in refining may be more refineries located here.

RESPONSE TO QUESTIONS OF SENATOR D'AMATO

1. The military have certain assets, such as night vision equipment or the ability to co-ordinate complex communications systems, that are lacking in or less well provided by interdiction agencies. It seems reasonable that the military should be tasked to supply such assets to the drug control effort. However these assets are relevant only to very specific components of that effort and care should be exercised in expanding military roles beyond that.

2. I am not qualified to answer your question concerning Special Operations Forces; I know nothing about their capabilities.

RESPONSE TO QUESTIONS OF SENATOR DIXON

1. I do not know enough about the methods available to the U.S. for overseas investigative efforts to answer this question.

2. Source country control expenditures are a very modest share of the total drug control budget. The right set of programs can help somewhat alleviate problems of drug use and political authority in the source countries; that is sufficient to justify such a modest expenditure. It is difficult to see that large increases would have significant impact on U.S. drug problems. Such increases would have to be justified on general development aid grounds; such considerations are given added weight by the fact that source country problems have been greatly exacerbated by the growth of the U.S. market for cocaine.

The CHAIRMAN. Mr. Lee.

STATEMENT OF RENNSELAER LEE

Mr. LEE. Thank you, Senator.

I think it is fair to say that for many years eradication of crops has been seen as the cornerstone of America's overseas narcotics control policy, and I think there is a reason for this. That is that U.S. officials have traditionally regarded eradication as kind of a cheap solution to America's drug epidemic.

Killing narcotics plants, which are relatively visible and stationary, is viewed as more cost effective than destroying processing laboratories, which are relatively mobile and easily hidden. It is viewed as easier than tracking cocaine and heroin through international distribution networks or busting dealers or penalizing drug users.

This argument, I think, has a certain amount of theoretical merit, but a number of factors in Third World countries have conspired to limit the effectiveness of eradication programs. One very important factor that comes to mind right away is the lack of effective government control over the territories where narcotics industries flourish. These regions are typically remote from metropolitan areas. They are relatively inaccessible and characterized by mountainous jungle terrain. Sometimes they are also patrolled by Marxist guerrillas, tribal separatists or other hostile anti-government groups.

Now, looking at South America, one sees the zones of coca cultivation such as the Upper Huallaga Valley, the Chapare in Bolivia, and the Llanos region in Colombia. These areas tend to be very imperfectly controlled by central governments.

By way of contrast, I think that you see in Turkey and Mexico fairly strong governments. This point has been made before this morning. These are strong governments that are capable of exercising their will nearly anywhere in the national territory. The relatively broad strategic reach of these governments I think partly explains their past success in suppressing cultivation of these various drug crops.

Another factor, of course, is the lack of resources for antidrug programs in some Third World countries. Let us look at Latin America. Now, in the 1980's, this decade has been called, I think very justifiably, a lost decade of development in Latin America. During this period many countries in the region experienced stagnant or negative economic growth, deminished legal export earnings, decline of international markets for oil, for fishmeal, copper and so on, and also increased levels of unemployment. Now, take as a worst-case situation in Bolivia. Here is a country that has a per-capita income less than half of Mexico's. Bolivia's GNP declined continuously from 1980 to 1986. The value of Bolivian exports dropped roughtly 30 percent from 1984 to 1987. Bolivia today has an unemployment rate of about 20 percent. And this compares to about 6 percent back in 1980. Now, quite clearly, Bolivia has an overriding concern at this point with economic survival. Progress in meeting U.S.-imposed targets for eradicating coca plantations—this ranks fairly low in Bolivia's list of priorities.

Another factor, and I think this is a very critical factor, is the extent to which narcotics industries have actually penetrated the country's economy. The more penetration you see, the more the national leadership of these countries, Colombia, Bolivia, and Peru, have to worry about the economic and social effects of antidrug programs: rising unemployment, increased rural unrest, the evaporation of hard currency reserves, more migration to the already overcrowded shanty towns in the cities, and so on.

I think if you look at the Andean countries, you see that the cocaine industry by all indications has acquired a very powerful economic foothold in these countries. The industry is a major employer, especially in its agricultural phases. By my own estimates, coca farming supports at least 3 percent of Peru's national population and 5 percent of Bolivia's. This is people who depend economically on the cultivation of coca.

The CHAIRMAN. Three percent of Peru's?

Mr. LEE. Of Peru's, and 5 percent of Bolivia's. And this, I think, is a minimum, this is a lower-bound figure.

Also, the foreign exchange that is generated by cocaine accounts for a very significant chunk of the export earnings of the Andean countries.

Given these economic constraints, the Andean governments cannot pursue eradication and interdiction programs as enthusiastically and as aggressively as we would like.

Another factor is political. Let us go and look back down on the farm. Here we see the power of drug farmers to resist eradication efforts. Again here in the Andean countries you see the most dramatic examples of peasant power. Farmers who cultivate coca are numerous and well organized. They are not just inert peasants. They are especially well organized, I think, in Peru and Bolivia. They can also count on political support from other groups. Bolivia has a gigantic coca lobby which comprises regional federations of coca growers, national peasant and labor unions, and a bloc of about 40 deputies in the Bolivian Congress. And this coca lobby has been powerful enough to block eradication in Bolivia, or block significant eradication, I should say.

In Peru's Upper Huallaga Valley, where over 90 percent of foreign income comes from coca cultivation, you see this very tragic situation in which coca farmers receive encouragement and support from Shining Path guerrillas. The Shining Path have been able to exploit the issues of eradication and spraying to gain a political foothold, to extend their influence among coca growers and other valley residents. In both Bolivia and Peru, coca farmers and their allies have fought U.S. eradication programs with road blocks, with sieges, with attacks on antidrug police. Such actions, I would argue, send a very strong message to governments. They make them very unenthusiastic about pushing for serious coca reduction efforts.

Unfortunately, there is no single technological fix that can address all of these economic, political, and social obstacles. The United States, for example, would like to use chemical herbicides against coca fields in South America. Some herbicides indeed appear to work against the coca plant. But spraying, especially aerial spraying, is a much more efficient way of wiping out coca

and other illicit crops than is manual eradication. Also, there is another advantage to spraying. That is that governments do not have to exercise full physical control over areas of drug cultivation in order to spray these areas from the air.

I think the spraying approach is going to have very rough going politically in South America. For example, Bolivia last year passed a law forbidding the use of chemical herbicides against coca. Colombia suspended a program for the aerial testing of herbicides in 1986. Peru conducted a small aerial test against a couple of hundred hectares of coca earlier this year. But, as I see it, spraying in that country faces very strong opposition from environmentalists and coca farmers and from other political groups.

I believe, in fact I am just about sure, that the prospects for South American governments ever using herbicides against coca on any significant scale, as opposed to conducting a few sporadic tests, are fairly remote. Governments are afraid of ecological damage from the use of toxic chemicals. But they are even more concerned, I would argue, about the social effects, the prospects of massive rural unemployment and in Colombia and Peru the aggravation of a festering insurgency problem.

Now, I guess that Andean governments would be a little bit more enthusiastic about spraying if there were some place to put the hundreds of thousands of peasants who are now involved in coca cultivation. And here it is probably worth reviewing very briefly the record of U.S.-financed crop substitution schemes in drug source countries. Now, these so-called income alternative programs have had a very troubled history. Several factors militate against their success.

The first and most obvious one is that drug crops typically earn much higher returns than legal agricultural crops. Second, drug crops typically grow in remote areas that are far from major markets. And transportation costs may make the traditional crops noncompetitive in these markets. Third, the coca plant tends to thrive in conditions—and this is an unfortunate irony—it thrives in conditions that are inhospitable for many other crops. Coca grows well on steep slopes, in excessive rainfall, and in acid jungle soils. So, substitution programs tend to be a rather difficult and tricky proposition from an agronomic standpoint.

The experience of crop substitution of the Andean countries suggests that only a fraction of a population that is currently residing in such areas as the Chapare, the Upper Huallaga Valley, and the Llanos could make a living from legal agriculture if coca were totally eradicated. It also suggests that our development strategy should focus not on trying to do a lot in these areas but on attracting migrant coca farmers and other participants in the cocaine trade away from the regions that now cultivate coca. Such strategies would emphasize creating successful commercial, agricultural, or agribusiness enterprises in areas that have established agricultural potential. But this will involve, I think, some pretty large inflows of aid and investment from the industrialized countries.

I will have to conclude on a pessimistic note. I think perhaps the most important lesson to be learned from our crop reduction efforts in the 1970's and 1980's is that drug crops are very much a moving target. As long as the demand is there and the profits are there, an

eradication success in one country or even one region is simply going to be compensated by the expansion of production or the initiation of new cultivation somewhere else.

Most recently we have been able to get Colombia, Belize, and Jamaica to destroy much of their marijuana crop, but as a result the United States, our own country, is now a major supplier of marijuana to domestic and international markets.

There is no geographical or ecological law that requires that coca production be concentrated in Bolivia and Peru and Colombia. The coca plant is highly adaptable. It can grow nearly anywhere in tropical South America. It can grow in Africa. It can grow in Hawaii. It can grow in Southeast Asia.

Back around the turn of the century, there was a thriving coca and cocaine industry in the island of Java. The principle, I think, is clear. Unless consumption of drugs in the United States and other industrialized countries declines significantly, our supply-side efforts will just produce endless frustration and disappointment.

Thank you.

The CHAIRMAN. Thank you.

Without objection, your prepared statement will be inserted into the record.

[The prepared statement of Mr. Lee follows:]

"Issues in Eradication and Substitution"

Prepared Statement of Rensselaer Lee III

before the

Caucus on International Narcotics Control

United States Senate

April 19, 1989

Eradication of illicit crops has for many years been the cornerstone of U.S. overseas narcotics control policy. The approach has had some successes; one can point for example, to Turkey's suppression of opium production in the early 1970s, to Mexico's campaign against opium cultivation in the 1976-1978 period, and to Colombia's anti-marijuana campaign in the mid-1980s. Yet our eradication efforts in drug source countries have fallen far short of objectives. World opium production, for example, appears to have nearly doubled since 1985. Coca cultivation in the Andean countries is said to have increased 5 to 10 percent a year since the beginning of this decade.

U.S. officials have traditionally regarded eradication as a relatively cheap solution to America's drug epidemic. Killing narcotics plants is viewed as more cost-effective than destroying processing laboratories (which are relatively mobile and easily hidden), tracking cocaine and heroin through international distribution networks, busting dealers and penalizing drug users. This argument has some theoretical merit, but a number of factors in Third World countries have conspired to limit the effectiveness of eradication programs.

One such factor is the lack of effective government control over territories where narcotics industries flourish. Such regions are typically remote from metropolitan areas, relatively inaccessible and characterized by mountainous or jungle terrain. Sometimes they are also patrolled by Marxist guerrillas, tribal separatists or other hostile groups. In Burma, for instance, central government authority is virtually non-existent in that country's northern Shan state, a major world center of opium and heroin production. In Pakistan, narcotics production is concentrated in quasi-independence tribal areas along the border with Afghanistan. In South America, zones of coca cultivation such as Peru's Upper Huallaga Valley, the Bolivian Chapare, and the Colombian Llanos are only weakly controlled by central governments. By way of contrast, Turkey and Mexico have strong governments that are capable of exercising their will nearly everywhere in the national territory. The relatively broad "strategic reach" of these government partly explains their past successes in suppressing cultivation of drug crops.

A second factor is the lack of resources for anti-drug programs in some Third World countries. The availability of such resources depends largely on the size of a nation's economy and on the wealth of its citizens -- a Mexico is in a better position to conduct a sustained eradication effort than a Bolivia. Yet a country's economic performance is also a critical factor. For example, the 1980s justifiably have been called a "lost decade of development" in Latin America. During this period many countries in the region experienced stagnant or negative economic growth, a loss of legal export earnings and increased levels of unemployment. Take as a worst case situation Bolivia -- a

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country with a per capita income less than half of Mexico's. Bolivia's GNP declined every year from 1980 to 1986. The value of its exports dropped 30 percent from 1984 to 1987. Its unemployment rate today is officially 20 percent compared to 6 percent in 1980. Bolivia's overriding concern is with economic survival -- destroying coca fields and cocaine laboratories ranks much lower on that country's list of priorities.

A third and related factor is the extent to which narcotics industries have penetrated a country's economy. The greater the macro-economic influence of such industries, the more the national leadership has to worry about the economic and social effects of anti-drug programs -- rising unemployment, increased rural unrest, the evaporation of hard currency reserves, more migration to already overcrowded cities and so on. Take for example, the Andean countries. The cocaine industry, by all indications, has acquired a powerful economic foothold in these countries. The industry is a major employer, especially in its upstream (agricultural) phases. At least three quarters of a million Andean dwellers, including peasant proprietors and their families depend on coca cultivation for all or part of their livelihood. Coca farming supports an estimated 3 percent of Peru's national population and 5 percent of Bolivia's. It reportedly accounted for 20 percent of total farm income in Bolivia in 1986. The foreign exchange generated by cocaine -- which of course comes from the coca plant -- was equivalent to an estimated 10 to 20 percent of Colombia's 1987 legal exports, 25 to 30 percent of Peru's and 50 to 100 percent of Bolivia's. Given these economic constraints, Andean governments cannot pursue eradication and interdiction objectives as enthusiatically as the United States would like.

A fourth factor is political -- the power of drug farmers to resist eradication efforts. Again, the Andean countries provide the most dramatic examples. Farmers who cultivate coca are numerous and well-organized, especially in Peru and Bolivia. Also, they can count on political support from other groups. Bolivia's "coca lobby" which comprises regional growers' federations, national peasant and labor unions and a bloc of about 40 deputies in the Bolivian congress is apparently powerful enough to block eradication in that country.

In Peru's Upper Huallaga Valley, where over 90 percent of farm income comes from coca cultivation, coca farmers receive encouragement and armed support from Shining Path guerrillas. The Shining Path has effectively exploited the issues of crop reduction and spraying of herbicides to gain a political foothold among coca growers and other Valley residents. In both Bolivia and Peru, coca farmers and their allies have fought U.S.-backed eradication programs with roadblocks, sieges and attacks on anti-drug police. Peasants have blockaded and sealed off Cochabamba -- Bolivia's third largest city -- four times since 1983 to

protest various anti-coca policies of the Bolivian government. Such disruptive tactics obviously send a strong political message -- they deter governments from conducting serious coca reduction efforts.

The above analysis suggests that eradication of illicit crops overseas may not be as cheap or as easy a solution to the American drug abuse problem as was originally thought. Eradication encounters a host of economic, social and political obstacles in the source countries.

Also, there is no single technological fix that can address all of these obstacles. The United States, for example, wants to use chemical herbicides against coca fields in South America. Some herbicides seem to work against the hardy coca plant (Eli Lilly's "Spike" is one such compound). Spraying, especially aerial spraying, is a far more efficient way of wiping out coca and other illicit crops than is manual eradication. Also, governments do not have to exercise full physical control over areas of drug cultivation in order to spray these areas from the air. However, the spraying approach will have rough going politically in South America. Bolivia last year passed a law forbidding the use of chemical herbicides against coca. Colombia suspended a program for the aerial testing of herbicides in 1986. Peru conducted a small aerial test against 200 hectares of coca earlier this year; but spraying in that country faces bitter opposition from environmentalists, coca farmers and other political groups. The prospect that South American governments will ever apply herbicides against coca on any significant scale (as opposed to conducting sporadic tests) seems fairly remote. Governments fear ecological damage from the use of toxic chemicals, but they are even more concerned about the social effects: the prospects of massive rural unemployment and (in Colombia and Peru) the aggravation of a festering insurgency problem.

Possibly, Andean governments would be more enthusiastic about spraying if there were some place to put the hundreds of thousands of peasants now involved in coca cultivation. Here it is probably worth reviewing the record of U.S.-financed crop substitution schemes in drug source countries. Such "income alternative" programs have had a troubled history, and several factors militate against their success. First, drug crops typically earn much higher returns than licit crops. Second, illicit crops yield relatively quick returns, as the time from planting to first harvest is shorter than for alternative cash crops such as oranges, coffee, tea, and rubber. Third, drug crops typically grow in remote areas that are far from major markets, and transportation costs may make traditional crops non-competitive in those markets. Fourth, the coca plant tends to thrive in conditions that are inhospitable for many other crops -- for example, steep slopes, excessive rainfall and acid jungle

soils. Hence, substitution may not be agronomically possible. Fifth, political factors -- weak central government control, peasant hostility, and the power of local drug lords -- have interfered with U.S. assistance programs, especially in the Andean countries.

The experience of crop substitution in the Andean countries permits several tentative conclusions.

The first is that only a fraction of the population currently residing in such areas as the Chapare, the Upper Huallaga Valley and the Llanos could make a living from legal agriculture, if coca were totally eradicated. A 1988 study by the General Accounting Office, for instance, estimated that without coca the number of families in the Chapare (now about 75,000) would drop by two-thirds.

A second implication is that we should be wary of pouring too much money into the development of these areas -- into building roads, school systems, potable water facilities, electricity and other public works projects. Such projects probably encourage migration to coca growing regions or encourage people who are now there to stay. Also, they help coca farmers along with everybody else -- roads, for instance, facilitate the transport of coca leaves to traffickers' laboratories.

Third, our development strategy should focus on attracting migrant coca farmers and other participants in the cocaine trade away from regions that now cultivate coca. Such strategies would emphasize creating successful commercial agriculture or agri-business enterprises in areas with established agricultural potential. (Examples of such areas in Bolivia include the Upper Cochabamba Valley and the fertile plains near the city of Santa Cruz.) Substitution, in other words, must be implemented on a broad geographical scale. Such a concept -- since it is linked to the extensive movement of populations -- would probably require the revitalization of entire national economies. This in turn would imply massive inflows of aid and investment from the industrialized countries -- something on the order of an international "alliance for progress" against cocaine.

I'd like to conclude on a cautionary note. Perhaps the most important lesson to be learned from our crop reduction efforts in the 1970s and 1980s is that drug crops are very much a moving target. As long as the demand is there and the profits are there, successful eradication in one country or even one region will merely be compensated by the expansion of production (or the initiation of new cultivation) somewhere else. Most recently, we've been able to get Colombia, Belize and Jamaica to destroy much of their marijuana crop, but as a result, the United States -- our own country -- is now a major supplier of marijuana to domestic and international markets. Similarly, there is no

geographical or ecological law that requires that coca production be concentrated in Bolivia, Peru and Colombia. The coca plant is highly adaptable -- it can grow nearly everywhere in tropical South America. It can grow in Africa. It can grow in Southeast Asia. Back around the turn of the century there was a thriving coca and cocaine industry on the island of Java. The principle seems clear -- unless consumption of drugs in the United States and other industrialized countries declines significantly, our supply side efforts will produce endless frustration and disappointment.

The CHAIRMAN. Professor Craig.

STATEMENT OF RICHARD CRAIG

Mr. CRAIG. Thank you, Mr. Chairman.

First of all, I would like to thank the committee for inviting me here. I am reminded of being at a conference one time when I gave a paper on Sunday morning. There were three people in the audience and two panelists. I discovered later on that two of the people in the audience were wives of the two panelists, and that one guy was actually sleeping off a hangover.

I would like to just say that we may be, in Spanish, un grupo muy chico pero muy selecto. We are a very small group, but we are very select. I appreciate your hanging in there to hear us.

I have three options and I will leave it up to those of you here what you might like to listen to. I do not think I am going to try to repeat anything that either Rens or Peter has said. I can do one of two things. I can assess the Mexican program in comparative terms as a possible model for emulation in South America, or I can do something completely different; and that is discuss with you what I consider to be the current trends among Latin Americans in terms of their response to the American drug initiative and the whole drug question. I leave it to the Chair.

The CHAIRMAN. I would prefer you to do the latter.

Mr. CRAIG. This particular part is not in my written statement but I have a paper here in which I presented it. I would like to have that included also, with your permission.

The CHAIRMAN. It will be.

Mr. CRAIG. Let me just——

The CHAIRMAN. Senator Graham obviously heard your Sunday morning story, so he came back.

Mr. CRAIG. Now you are back, and I am glad you are part of this small but select group.

I think, in looking at the changing scenario in Latin America and their response to the whole issue, that the region's key "source four" have first of all chosen to stand by what I term the muddle-through option, whereby they continue to eradicate, dismantle, destroy, and interdict to the best of their ability. The results are disturbingly obvious: more drug cultivation, processing and shipment, more narco violence and corruption, and more narco dependent economies, especially in Peru and Bolivia. These two nations have also opted for a second conventional strategy by accepting more direct U.S. involvement in the law enforcement interdiction phase of their antidrug campaigns.

Thus we now have Operation Snowcaps and all that they imply for Bolivia, Peru, and the United States.

Meanwhile, amidst all this muddling-through, there are sounds and voices coming from Latin America that I term revisionist and even radical in terms of their response to the whole drug issue. Some of these people are essentially tired of seeing themselves as the perennial objects of Washington's narco politics, and they are suggesting in effect a kind of breakout policy.

I am going to skip, for time's sake, the revisionists, because I think their options are essentially regional in nature, along with

the ideas that were presented in the questions asked by Senator Graham in terms of a kind of inter-Americanization of the problem. What I would like to turn to in wrapping up would be the radical voices in Latin America in terms of their responses. By radical, I do not mean leftist radicals. I mean radical in terms of nationalism, et cetera.

I call this the Latin American quid pro quo, practice what you preach, put up or shut up, counterattack course. That is a mouthful. It is otherwise known as Latin America's decertification list. It is premised on an introductory clause which I am sure will sound familiar to both of the Senators.

We the undersigned Latin American nations propose to decertify the United States if it does not cooperate fully with said nations or take adequate steps on its own with regard to preventing drug production, drug trafficking, and drug-related money laundering, by doing the following things: first, eradicating in percentage terms as much or more of its illicit drug crops as we are; by, second, utilizing in its eradication program on both private and public lands the herbicides Paraquat and Spike; by, third, amending even further its posse comitatus statutes so as to involve its military to an extent equalling or surpassing the involvement of our own armed forces; by, fourth, ratifying, as several of us have, the mutual legal assistance treaties which you pushed us so hard to enact—I know for a fact that there are two of them pending which have not been ratified; by, fifth, agreeing to extradite on call its own nationals; by, sixth, ceasing to cooperate with notoriously narcotainted reactionary regimes; by, seventh, cleaning up its own narco corrupted judicial, political, and law enforcement ranks—we might just mention in passing that 10 percent of the Miami police force today is under indictment for corruption involving narcotics; by, eighth, ceasing to coddle its drug abusers, in particular its "star" abusers. Set an example for us, send—and this is going to strike home perhaps—Stanley Wilson of the Bengals and Dexter Manley of the Skins to prison, not to the Superbowl; by, ninth, equalling or surpassing our own sacrifices in terms of comparative budgetary allocations and lives lost in antidrug campaigns; by, tenth, doing more if possible about the precursor chemicals, 90 percent of which, supposedly, originate in the United States—I find that figure hard to believe; by, eleventh, curtailing the sale of such sporting weapons as the AK-47, many of which end up in the hands of our traficantes and our guerrillas. After all, how many rounds does it take to bring down a rampaging doe? By, twelfth, coordinating its antidrug effort to the extent that it ends the notorious interagency turf battles and is thus able to speak with one voice.

Max Murmulstein talked before a group at Tuft a while back, he's the Government's star witness, and he was asked if there were anything that could be done to help the United States antidrug campaign. Max did not hesitate one second. He said, the thing that you could do that would really hurt us most of all is to get your act together, stop fighting one another. If you did this, it would make a tremendous dent in our business.

By, thirteenth, from the Latin American viewpoint, permitting our equivalent—and this is tongue in cheek, of course—by permit-

ting our equivalent of its DEA to operate in the United States with the same freedom of movement that we grant its agents.

By, fourteenth, launching a truly concerted campaign against money laundering, even if it entails long-term imprisonment of prominent financial figures; by, fifteenth, attacking with true vigor and far more budgetary dollars the true fount of its and our drug dilemma, America's seemingly insatiable demand for mind- altering substances; by, sixteenth, ending its unilateral policy tendencies in regard to drug control; and, finally, from the Latin American perspective, by realizing and admitting that, as bad as the drug problem is in the United States, ours is far worse.

For the United States, drugs really do not constitute a threat to national security. For us, they most certainly do.

This, in sum, would be what I call the Latin American decertification list.

We have rehashed everything else today. I thought maybe we could throw this in.

Thank you.

The CHAIRMAN. That is useful.

Without objection, your prepared statement will be inserted into the record.

[The prepared statement of Mr. Craig follows:]

Written Statement
of

Richard B. Craig
Professor
Department of Political Science
Kent State University

before the

Caucus on International Narcotics Control
United States Senate

concerning

U.S. Drug Control Policies in Latin America

Chairman Biden and Members of the Senate Caucus on International Narcotics Control: It is a genuine pleasure to appear before you today to present some of my overall impressions on U.S. drug control policies in Latin America. In the process I would also like to convey my thoughts on the current Latin American drug scene and analyze the once successful Mexican campaign as a possible model for emulation elsewhere in South America.

Today, there can be no doubt that the abuse of drugs, both licit and illicit, constitutes a first order problem for American citizens, politicians, police, and diplomats. Drug abuse and trafficking are undeniably among the nation's most serious crime problems. They spawn everything from death, to prime time television series, to Congressional hearings. They seriously erode the nation's quality of life, corrupt its institutions, impact its foreign policy, and by indirection threaten its national interests.

Illicit drug trafficking has emerged as both a national security issue and a foreign policy priority. Reinforcing a time worn theme, Washington's primary response to the problem has been to seek a solution at the foreign source, in those countries whose fields and laboratories produce the illicit products so demanded by American users.

Latin American and Caribbean nations constitute the primary source of most of the heroin, cocaine, and marijuana smuggled into the United States. As a result, the control of drug cultivation, processing, and shipment currently ranks with immigration, economic crisis, and communist incursions in Central America as priority issues in U.S.-Latin American relations. Narcotráfico is in my opinion the most sensitive issue between the United States and Bolivia, Peru, Mexico, and Colombia. It has also become a serious domestic problem in several Latin American countries where it has spawned

multiple repercussions at social, economic, and political levels. La droga has brought unprecedented violence against persons, property, and political systems. Attacks on politicians, judges, military personnel, and police have escalated as traffickers have responded to antidrug campaigns. Simultaneously, corruption, fueled by intimidation and heretofore unimagined sums of money, has reached wholly unacceptable levels.

The economic effects of illicit drugs are perhaps more insidious and not easily quantifiable. We can, however, state with confidence that such traditional indicators as foreign reserves, inflation, money supply, exchange rates, property values, wages, and the cost of goods and services are affected. It is also important to recall that the effects are not always negative. Narcodólares provide jobs for thousands of campesinos and keep at least two South American economies afloat in a sea of economic disaster.

Politically, the impact of narcotics varies with the problem's scope: the larger the problem, the greater the potential that traffickers will seek to protect their industry and incomes by securing political power at all levels. Some have even organized their own political parties. Others opt for indirect control of key government posts and decisions. Power sufficient to thwart the implementation of particular laws or treaties, to prevent arrest or imprisonment, and to arrange prison escapes is disturbingly commonplace. The government's inability to control outlying regions, particularly the drug producing areas, is symptomatic of an even larger problem for Latin American politicians--rural neglect. Campesinos are by and large a neglected lot, forgotten ones in the national drive to modernize. Their choices are quite limited: remain on the land tilling traditional crops, migrate to the city slums, leave the country, or cultivate illegal crops. Opting for the latter career may then bring the campesino another lifetime first: serious attention

from the government.

Another variable may be more psychological than political. In league with an already besmirched image, a burgeoning narcotics industry that appears inseparable from the government constitutes a serious, system-threatening loss of legitimacy. National leaders may at this stage be forced to act, but not before they consider the potential consequences at home and abroad. At this juncture the United States looms as a critical variable in terms of its demand as well as its narcopolítica.

Perhaps our inquiry should begin today with a macro question: Does the United States in fact have an international narcotics policy? Answer: Yes, and it has displayed amazing continuity throughout most of this century. It consists of three core elements: crop eradication at the foreign source, interdiction in the source nation or in route to the U.S., and elimination or immobilization of major traffickers.

Next, we should narrow our scope and ask the key regional question: Does Washington also have a bona fide narcopolítica toward key Latin American source countries? Again, the answer is affirmative. Dating back at least to the early 1970s, this policy too has shown marked continuity in goal and strategy: Keep illicit Latin American drugs out of the United States through eradication, interdiction, and immobilization in Latin America!

Unfortunately, the overall results of this policy have been discouraging. Abuse figures, despite some tentatively encouraging signs among high school seniors, are disappointing across the board. Of the three major drugs, none is in short supply. Drug-related crime and violence are essentially out of control in several major cities and most poignantly here in the nation's capital. Jails, prisons, and court dockets are overwhelmed with drug offenders. Borders are seemingly pentrated at will. Agency turf battles rage unchecked. The dope keeps coming. The violent beat goes on.

From this drug morass several patterns have emerged, each with its own short and long term policy implications. The first is what I have termed the "Colombianization" of America's drug scene. Drug-related violence against persons, property, politicians, law enforcement agents, and judicial officials is becoming disturbingly commonplace. A la Colombiana, the American public is becoming enured to the nightly news' "narco body count." Meanwhile, drug dollars are wreaking havoc with private and public integrity. Honest public officials and dedicated police officers are beginning to wonder out loud about the costs of official integrity. The expression plata o plomo no longer requires translation.

The second narco-induced pattern is clearly and undeniably a class phenomenon. While universal in its impacts, the overwhelming brunt of America's drug dilemma is being born by the core cities, by the ghettos and barrios, and their minority residents. Again, a la Colombiana, the inner cities, their people, police, politicians, and judges, are held hostage to the violence, corruption, and degredation of la droga. One no longer need journey to Medellin or Culiacan to experience first hand the results of narcotráfico. Just jump in your car, close the windows, lock the doors, and cruise downtown -- in fifth gear! America has a real drug problem. The American ghetto, like key Latin American source countries, has a far greater problem.

One might thus conclude, and many have, that our policies and those of Latin American source and transit countries have failed completely. Some pessimists go even further and claim that America's international drug policies have caused the problem. At the risk of being tabbed naive or overly optimistic, I would argue instead that considering the twin variables of demand and profit and the multiple problems facing Latin American source nations, the results of Washington's narcopolítica have been no worse or

better than the realistic analyst might have expected.

We are, after all, dealing first with America's drug scene and the intricacies of its political process, both domestic and foreign, as they are, not as we might like them to be. We are, secondly, faced with extant situations in individual Latin American states, each with its own unique problems and long histories of asymmetrical relations with the United States. We can no more change these Latin American "givens" than we can artificially manipulate our own system in search of a quick cure for America's drug dilemma. I would thus describe the results of our international narcotics initiatives as disappointing but not hopeless, and I would surely not term them a complete failure. More to the point, there are even some signs for cautious optimism.

Here at home we are at long last beginning to heed the Latin American admonition "No hay trampolina sin piscina" ("Without the pool of U.S. demand there is no diving board") by addressing the drug ledger's demand side. Education, prevention, and rehabilitation are finally receiving increased shares of antidrug budgets. The days of 90-10 and 80-20 shares are hopefully over. A new budgetary day of supply-demand parity is apparently just around the corner. Lawmakers and the public still long to cure America's drug problem at its foreign source, but both now realize that Walt Kelly was correct about policy issues other than Vietnam when Pogo noted prophetically, "We have met the enemy and he is us." Meanwhile, Latin Americans too are responding to the challenge as their narcodilemma is exacerbated in direct proportion to mounting demand in the United States and Western Europe.

Beginning with Mexico, even the perennial pessimist must be impressed with the performance of President Carlos Salinas. Assuming control of a nation facing unprecedented economic, social, and political problems, Mr. Salinas has moved boldly where his predecessors feared to tread. He has

jailed "La Quina," the notoriously corrupt PEMEX head and the only individual previously capable of bringing the nation's economy to its knees. He has jailed four major stock speculators for their fraudulent actions in the past year which almost caused the collapse of Mexico's stock market. And most critical from our perspective this morning, he has jailed Félix Gallardo, the ultimate entocable (untouchable) of Mexican narcotics.

Yes, each of Mexico's recent presidents also launched their terms by vowing to "attack without precedent" the evils of corruption. And, yes, it is still early in the sexenio. But in comparative terms, no Mexican president has moved so forcefully. None has better cooperated with Washington. And none has stirred greater optimism in the area of narcopolitics. It matters not why he has so acted. Most American analysts feel he jailed Félix Gallardo to curry favor from Washington for Mexico's chronically ill economy. Perhaps so. I feel he so moved for the same reason American presidents act during times of crisis -- to protect the nation's interest. If Mr. Salinas deems narcotráfico a threat to Mexico, be it direct or indirect, so much the better for Mexico. So much the better for U.S.-Mexican narcopolitics.

Turning to Colombia, one is hard pressed for optimism in the drug area. While his economy is comparatively healthy, President Virgilio Barco governs a nation rent with domestic violence, beseiged by terrorist groups, and judicially compromised by narcotraficantes. Extradition is a dead letter in the foreseeable future, and major traffickers remain untouchable while buying up large tracts of rural land. Given these realities, however, one may still be encouraged by two developments: the recent dismantling of major cocaine processing laboratories and the revived truce initiatives with M-19 and FARC guerrillas. The latter is particularly promising is one places much stock in the so-called narcoguerrilla nexus. Thus, Colombia's drug situation may today

be best termed an unsteady holding action.

Peru, on the other hand, offers cause for serious concern. President Alan García is a man besieged from all sides. Politically, he is a lame duck in the true sense of the term. He literally has no political base, even being abandoned by his own party. And this is a man whose popularity ratings initially reached unpredentedly high levels. Peru's economy is in shambles. Inflation rages unchecked. The nation is essentially bankrupt, and narcodollars may be the only thing keeping Peru from total economic collapse. The one organization which could possibly pose a serious challenge to growers and traffickers is the army. Unfortunately, it shows little to no interest in the drug problem. Like the Colombian military, its vision is external, its raison d'etre the nation's defense against a virtually nonexistent external threat. Domestically, it has but one meaningful task -- combatting Latin America's most fanatical revolutionary group, Sendero Luminoso.

It is Sendero, along with the moribund economy, which poses the greatest threat to democracy's survival in Peru. And it is Sendero alone of all Latin American revolutionary movements which may prove a bona fide example of the oft discussed but seldom realized narcoguerrilla Anschluss. Its cadres are today the de facto government in Peru's coca heartland, the Upper Huallaga Valley. They protect the grower from government eradication teams. They extort the Colombian trafficker for higher coca leaf proces to the peasant grower. And they extort the same traficante for a dollar percentage of the cocaine base which he flies back to Colombia for final processing. One Peruvian analyst claims that Sendero netted $30 million in 1988 as tribute from foreign traffickers. If their is any cause for optimism regarding Sendero it may, ironically, lie in the narcodollar's corruptive power. Unfortunately, no reputable analyst is currently predicting any such narco-induced demise.

At this juncture there is only one remote and controversial ray of hope on Peru's coca/cocaine horizon -- herbicides. If Lima is to make any meaningful progress against la droga and the threat it poses to the nation's democratic well being and to Washington's narcopolitics, it must launch a concerted airborne eradication campaign. For reasons well known to all of you, a Mexican-like herbicide program is at best a remote possibility in Peru. For many of you, it may also constitute an unacceptable policy option at this time. The cure may prove worse than the disease; both for the survival of Peru's tenuous democracy and for the health of U.S. foreign policy.

Finally, among Latin America's key source nations there is the unique case of Bolivia, South America's poorest nation and the region's second largest coca grower. It is also worth recalling that Bolivia is the quintessential coca nation, a veritable cocalandia. In one way or another most Bolivianos are involved in a cocacultura. They grow the leaf, ceremonialize it, chew it, drink it, cook it, stomp it, refine it, smoke it, sell it, and seek to eradicate it. Predating the Inca period, coca's impact on Bolivian culture is such as to render it a virtual national resource. Its political impact at the domestic and foreign policy level renders coca a nightmare for the nation's democratic politicians.

Originally controlled by major traffickers, then by professional intermediaries, the processing of coca paste came under the control of peasants themselves in hundreds of cooperative ventures throughout the coca zones and most poignantly in the Chapare. In effect, the nuclear or extended family has come to monopolize coca farming and paste production. As a result, the campesino's profits and concomitantly the government's challenge are today much greater.

Bolivia's peasants are unique in their organizational skills and

political clout. Epitomized by the Chapare's Federración Especial del Chapare, a highly disciplined grouping of syndicates whose primary raison d'etre is opposition to government controls over coca production and acreage, they have repeatedly thwarted government crop control and law enforcement efforts. It is only within this context that one may assess objectively the task posed for President Víctor Paz Estenssoro and Washington's narcotics program.

However grudgingly, one must concede that no Bolivian government has even approached the accomplishments of the Paz administration's antidrug program. Furthermore, no modern Bolivian leader has so boldly and successfully attacked the nation's horrendous economic problems. By virtually any standard, Paz' record in both areas has been exceptional. Bolivia, it must be recalled, is noted historically for its political instability. Remaining in office for a full term, even during the best of times, is highly problematic. For Paz and his successors the combination of severe economic recession, nationalistic reaction to U.S. pressure, campesino political clout, and the virtual impossibility of finding a financially adequate replacement crop for coca may prove insurmountable barriers.

The key to any successful long term antidrug program in Bolivia lies in the implementation of recently-approved, highly controversial coca control legislation. Unlike Peru, there is no possibility of Bolivia enacting an herbicide program. Thus, if progress is to be made in crop eradication it will come only in incremental stages. In the meantime the current cooperative effort against processing laboratories and major traffickers offers the best alternative. And it is here that one finds some room for optimism, particularly in a cooperative context.

Despite the criticisms leveled against it, Operation Snowcap represents the only viable alternative at this juncture. To an even greater extent than

the Peruvians, Bolivian authorities have taken tremendous political risks by inviting active U.S. participation in this antidrug initiative. Snowcap, like Blast Furnace, is truly unprecedented by Latin American standards. If fully operationalized and sustained over time its potential as an indirect disincentive to coca production can be realized. If coupled with an innovative coca crop buy-out scheme linked to realistic crop alternatives it may well constitute the best alternative for Bolivian democracy and U.S.-Bolivian narcopolitics. Unfortunately, the Bolivian-U.S. initiative, like Mexico's Operation Condor of the late 1970s and Turkey's poppy control program of the early 1970s, may not prove appropriate models for emulation elsewhere.

Regarding the Turkish effort, I will simply call your attention to two articles -- James W. Spain, "The United States, Turkey and the Poppy," The Middle East Journal, 29 (Summer 1975); and Richard B. Craig with Michael A. Turner, "Failure of the Turkish Opium Ban: Toward an Explanation," Orient, 1 (1978) -- and note first, that this highly successful program did not reach fruition without serious domestic and international trials and tribulations and second, that it like Turkish political culture can not be replicated in South America. To a somewhat lesser degree, the same holds true for the Mexican initiative.

Mexico's national campaign against narcotic drugs entered a new phase in the fall of 1975 when the government decided to eradicate opium and marijuana fields with herbicides. One year later Operation Condor became the core of this unparalleled program. Launched in the heart of Mexico's critical triangle, Condor affected dramatically the Mexican and American drug scenes and earned international acclaim for its architects.

One must first seek an adequate explanation of why Mexican authorities decided to revamp, modernize, and accelerate their antidrug program. Why, in

particular, did they opt for the extensive use of herbicides and the massive military presence that epitomized Operation Condor's early years. Unicausal explanations abound, depending on one's source. Individually, none can fully explain the policy change. In combination, they go far in answering two fundamental questions: What was in it for Mexico? How appropriate would it be elsewhere?

First, government officials were embarrassed by the fact that their country had become a major source of heroin. Marijuana was one thing; tons of opium and heroin were something else for a country that had long taken pride in its reputation as a leader in international efforts to contain drug traffic. Not only was Mexico's international image being tarnished, but politicians and laymen alike had become seriously concerned over increased domestic drug use. The use of solvents and glues by poor urban youth remains the foremost national drug problem. However, marijuana smoking was rapidly growing in popularity in a country that showed no intention of decriminalizing its usage. Opium and heroin addiction, on the other hand, were not and are not today an issue, with the possible exception of northern border cities. However, the potential for greater abuse of marijuana and opium/heroin was obviously enhanced by their massive in-country presence.

As regards negative national imagery, one notes a clear parallel with Colombia and its citizens but only remote similarities with Peru and Bolivia. Colombians are indeed acutely embarrassed and shamed by <u>la droga's</u> impact on the outside world's perception of the "typical" Colombiano. Juan Valdés is bad enough as a prototype. Carlos Lehder is totally unacceptable. Bolivians and Peruvians are also affected by the image dilemma, but not like Colombians. Aside from poverty and their Indian heritage, citizens of these neighboring countries elicit no clear cut image in the eyes of most foreigners. In any event, their domestic problems are so monumental as to render inconsequential

their reputation abroad. The same cannot be said, however, of in-country abuse as a potential incentive to greater drug control efforts.

If the Mexicans were concerned about domestic drug usage when they inaugurated Operation Condor, then it could be said that the governments of Colombia, Bolivia, and Peru should be paranoid. The problem in each country is serious, particularly the smoking of coca paste. The abuse of basuco in Colombia is particularly alarming and growing worse with each passing day. Pitillo smoking in Peru and Bolivia is widespread, with the worst manifestations occurring in major coca growing and processing zones and in urban barrios. More pointedly, the problem is growing in direct proportion to increased production and refining in all three countries.

A second key variable in Mexico's noteworthy antidrug effort of the late 1970s was the United States. Friendly relations with Washington are politically and economically crucial to Mexico City. When Mexico replaced Turkey as the prime source of heroin for the U.S. market in the early 1970s, narcotics became a priority item for American diplomatics in Mexico City, who, without exception, saw American pressure as the deciding factor in Mexico's decision to employ defoliant chemicals on a massive scale. Again without exception, these same diplomats were unanimous in praising the program's results. Mexico thus not only pleased the United States with Condor, but it also acquired another valuable chip in the diplomatic poker game with Washington.

Dependency is of course a relative phenomenon. None of South America's "source three" is as vulnerable to American pressure as is Mexico. Colombia, despite the health of its economy, most closely resembles Mexico in this regard. And even though Peru and Bolivia are economic "basket cases," American economic arm twisting has essentially proven counterproductive. In

truth, sanctioning either state can only make the economic situation worse and thereby render both more vulnerable to the radical left and/or the military right. Even Colombia is not immune from such radical scenarios. Politically, all three nations are far more unstable than Mexico of the mid-1970s. Washington may have the leverage, but in each case it does not use it to any meaningful extent. Such a cure would once again be worse than the disease.

International imagery, domestic drug problems, and diplomatic pressure are undeniably important in analyzing Mexico's decision to revamp its antidrug program. Individually and collectively, however, they still leave this analyst somewhat unconvinced. Each existed in varying degrees prior to 1975, yet Mexico did not act until then, primarily because the entire drug production-trafficking phenomenon failed to pose a serious threat to regional stability in the minds of Mexican officials until the mid-1970s. By that time several ingredients combined to produce concerted action from the top: (1) campesino desperation and the resort to drug cultivation and trafficking; (2) arming of the campesino and professional trafficker with weapons often superior to those of local and national law enforcement officers; (3) open and increasingly violent defiance of law and authority; (4) infusion into the sierras of enormous sums of money from narcotic sales that came to dominate local and regional economies, politicians, judges, and police; and (5) the merging of these trends in areas that have traditionally been the breeding grounds for rural guerrilla movements. Together they posed a threat to the control by the government and the all-pervasive Partido Revolucionario Institucional (PRI) over the entire country from Tijuana to Merida. Analyzed in combination with U.S. pressure, a tarnished international image, and a burgeoning drug problem at home, the development of a clandestine, well-armed, and very well-financed nexus in the countryside goes far in explaining why Mexican officials launched Operation Condor.

To a remarkable degree, all the above domestic factors also exist in Colombia, Bolivia, and Peru. In fact, the situation in each of these countries is today far worse than was the case in Mexico on all five counts. However, and this is surely the critical factor, each of these states is decidedly different from Mexico in its ability to respond to such developments. And each in varying degrees has its own unique domestic vulnerabilities which make a frontal assault on narcotráfico, a la Mexicana, most unlikely in the foreseeable future.

There is first, the issue of comparative economic capability. Mexico was on an economic "roll" in the mid-1970s. With mucho petróleo its economic outlook was very promising, so promising in fact that the Mexicans were planning a complete phase out of U.S. support for the antidrug campaign. They would, by 1980, finance the entire operation. Today, with the possible exception of Colombia, South America's "source three" are in dire economic straits. Bolivia and Peru cannot even feed their people, let alone support a meaningful antidrug program.

Second, the political climates are decidedly different. At the time of Operation Condor the PRI was synonymous with Mexico. Simply stated, there was no meaningful opposition. Mexico was thus preeminently stable politically. Of the three South American states in question, only Colombia can be deemed relatively stable. But even this assertion is open to serious question. Bolivia and Peru, meanwhile, somehow remain democratic. But no political scientist is planning a longitudinal analysis of democratic governments in either country. Neither has the political stability necessary to challenge growers or traficantes in any meaningful way. And for that matter, neither does Colombia, so narco-compromised are its political and judicial systems.

Third, the position of Mexico's military is unique, not only in

comparison to its counterparts in Colombia, Peru, and Bolivia, but also relative to any Latin American nation. Along with the procuracy, the Mexican army was the phalanx of Operation Condor. For at least three years it carried out the president's mandate to "cleanse the countryside of the drug curse." Such a role is traditional for Mexico's army. Its raison d'etre is to ensure domestic tranquility, particularly in the campo, not to defend the country from a Guatemalan invasion. More than any other activity, the army has utilized the antidrug campaign to hone its skills as the government's chief enforcer in the countryside. It remains, despite recent problems with corruption, the model antidrug military in Latin America.

On the other hand, we have the Colombian, Peruvian, and Bolivian armed forces, each seeking whenever possible to avoid any role in the drug equation. As noted above, the military in Colombia and Peru is external in orientation, deeming its true mission the defense of la patria from insurgents and outside forces. For numerous reasons, most notably the corruptive power of narcodollars, they deem chopping down marijuana and coca bushes and arresting campesino growers below their dignity. More to the point, and this is equally true in Bolivia, they are openly antagonistic to and disdainful of the antinarcotics police. So when it comes to the military as an integral piece in Latin America's antidrug puzzle, the Mexicans stand alone. And this is indeed a key missing link.

Fourth, the observer must include the guerrilla factor in any comparative analysis. Vis-a-vis Colombia and Peru, Mexico has no true insurgency problem to complicate its drug equation. The only meaningful comparison would be with Bolivia, which to date has no bona fide revolutionaries to contend with. Peru provides a worse case narcoguerrilla scenario, even though this seemingly unholy alliance may prove short lived. Colombia's "coke 'n communism" mix differs from Peru's in many respects, but this unnatural marriage of

convenience remains in tact in several regions of the country. Bolivian authorities meanwhile find themselves on the horns of a true dilemma: forceful implementation of coca control legislation may create a revolutionary nexus in the countryside where one currently does not exist. Again, the cure-disease dilemma, one which Mexico did not confront in the mid-1970s.

Finally, there is the issue of comparative political reach. Of the four governments under analysis, none approaches Mexico's ability to control its national territory. While not absolute, Mexico's power to implement a concerted, nationwide antidrug offensive far exceeds that of Colombia, Bolivia, and Peru. Large portions of these three South American states lie beyond the purview of their national governments. Antidrug determination aside, they simply cannot control the outlying drug enclaves. Even if the will were present, and this is open to question, the ability to act is not. Mexico again stands out as the exception, not the rule. As a model for emulation its antidrug campaign of the late 1970s has only limited applicability to Colombia, Peru, and Bolivia.

The CHAIRMAN. I have a few questions. I will yield most of my time to my colleague because I had a chance to spend a couple of hours with you fellows and ask you a lot of questions.

Let me go back and start with you, if I may, Mr. Reuter. You heard Mr. Lee give his assessment of the extent of the problem as it exists within Peru and Bolivia in particular, indicating that 3 percent of the population in Peru and up to 5 percent of the population in Bolivia are, in a literal sense, cocaine dependent; that is, their incomes are derived from the production, the coca plant. To what extent, in your opinion, is drug addiction in the sense we use it, that is, of people dying from overdose of cocaine use or people addicted to the drug so that they are debilitated, unable to work, not productive, et cetera? In Peru, Bolivia, and Colombia, how big a problem is addiction there?

Mr. REUTER. I am not an expert on that. Indeed I think either Rennselaer Lee or Dick Craig is better situated to comment on that.

For nearly a decade now, a flow of official reports have appeared asserting that large numbers of children, particularly young children, in the major cities are dependent on bazuco, which is a crack-like substance, even more dangerous because it has impurities in it. I have no idea of the reality of those reports. I do not trust large numbers generated here around social problems. Numbers from far away tend to be even less trustworthy. But the numbers have been around for long enough that I presume they have some basis.

The CHAIRMAN. Well, let me shift slightly then, because I am going to ask Mr. Lee and Mr. Craig to respond to that. But before I do, the foreign exchange piece of this puzzle, to what extent is the foreign exchange generated by drug trafficking in the three countries I mentioned, if you know?

Mr. REUTER. I am supposed to be an expert, but I have got to be very careful about my limits here. We are talking here about hundreds of millions, not billions, certainly for Peru and Bolivia. For Colombia, Rennselaer and I have both done sort of back-of-the-envelope calculations that maybe get us up to a billion or a billion and a half in some good years for Colombia. In the context of their export earnings of roughly $5 billion, I think, in 1986, it is important but not overwhelming.

The CHAIRMAN. To follow on, if it is a billion of the five billion generated, roughly, in Colombia, it is in the millions——

Mr. REUTER. Hundreds of millions.

The CHAIRMAN. Hundreds of millions of the billions or hundreds of millions generated in——

Mr. REUTER. Your point is well taken. For Bolivia, if I remember correctly, legitimate exports are measured at about $700 million, and the earnings from cocaine trade may be between $250 and $500 million. So for Bolivia, Bolivia is the one country in which you can say, this may well be critical to their external balance of payments. For Colombia, it is a significant addition.

For Peru, I do not have the figures in my head, but it is certainly not as high a percentage as for Bolivia.

The CHAIRMAN. You heard—or maybe you did not; I know you were all gracious enough to be sitting here all morning. You heard one of our previous witnesses indicate that it is not that big a deal

because most of the money ends up being spent and/or invested in the United States or in Switzerland, or I guess the comment was, in Miami or south Florida or Switzerland.

Mr. REUTER. Yes.

The CHAIRMAN. Can you tell us a little bit, enlighten the committee a little bit about how that balance of trade, how that impacts on the domestic economy?

Mr. REUTER. There is so little information available that we are mostly trading in images about this. There is no question but that cases against large traffickers show that they hold substantial assets outside of Colombia. On the other hand, there is also no question but that they invest substantially in Colombia itself. They are devoted to conspicuous consumption of the sort of classic Al Capone kind. They build themselves lavish residences and have public works projects.

Without being able to make a statement about what percentage stays in Colombia, there is no doubt that it has had, at least in the Medellin region and the Calle region, a very substantial economic impact. Beyond that, I do not think that one can make any firm statement.

The CHAIRMAN. Mr. Lee, one of the concerns that I have, and I am not alone in this concern, and I am asking you to make a comparison here, if you will help me out, one of the concerns that I have had, and it really began to grow, to be honest with you, on my part, around 1981-1982, when, as a member of the Intelligence Committee in this body, I began to get reports, which, obviously, I am not at liberty to discuss in particular, but reports that significant drug trafficking organizations in the United States were in a weird way going legit by laundering, their dollars were becoming legit, they were laundering their money offshore, taking those, what are referred to as obscene profits, and investing them in legitimate businesses that have no relationship to, no direct relationship other than the seed money for the investment came from illegal sources. And that there was, in the case of one large corporation, some evidence of the fact that it was moving in the direction of, if not totally being controlled by a drug cartel, it was perilously close.

Now, my question is, in Colombia, in Bolivia, in Peru, these drug profits, beyond being used to build swimming pools and by whatever else is done, gold chains that weigh 400 pounds and you have to be a 380-pound linebacker to hold your head up when you put them around your neck. How—I am not looking for a number, but is there diversion of those profits into legitimate businesses that have the double whammy of having both this illegitimate group of thugs controlling huge profits and the lives of many people and also now stepping over into much more sophisticated investments, if you will, with their money? Am I making any sense?

Mr. LEE. The answer to the question is yes.

In the past 10 years, according to an estimate that I read in a Colombian magazine recently, drug traffickers have bought $5.5 billion worth of property, much of this in the Colombia countryside. This comes out to an investment of $500 million a year in real estate. So, a lot of the money has gone into real estate. A lot of the

money that has gone into the countryside has gone into farms and ranches and, you know, agriculturally productive enterprises.

This investment has also had the sociopolitical effect of bringing traffickers right up against, on the cutting edge, of the guerrilla problem. It has raised their political consciousness, so to speak. They have begun to develop common interests and common alliances with other property owners and, at times, with local military units. So, now you find these alliances developing between drug traffickers and elements of the Colombian establishment to fight the common problem, that is, these predatory guerrilla groups.

I hear from my sources in Colombia that property values are going up in the areas where the big narcos have bought their landed estates.

The answer is yes, a lot of the money is going into investments. In Bolivia, I think some of the drug profits, those that come back into the country, also go into agriculture, into ranching and farming. A number of the members of the Bolivian trafficking elite in fact started in agriculture or in cattle ranching. Roberto Suarez is an example of this. I believe that he comes from an old ranching family in the Beni.

There are also many other investments: newspapers, TV stations, and retail outlets such as toy stores, and drug stores. Where I do not see much investment going, on the other hand, is into core productive industrial enterprises such as mining, commercial transport, heavy industry, or even light industry. I think there are some, shall we say, skewed or distorted patterns in the way this money is spent.

The CHAIRMAN. I do not find that at all surprising, but it is interesting to note. Unless something begins to be done somewhere down the line, I think it is inevitable that you move, each generation gets significantly more sophisticated about how to—and I can picture these, you know, first generation new drug lords with tens of millions and in some cases hundreds of millions of dollars going to what they know. They know real estate. They know ranching, but they do not know shipping. They do not know airlines. They do not know the things which I think they do in this country know, by the way.

Mr. REUTER. Could I just make a comment about that?

The CHAIRMAN. Yes.

Mr. REUTER. It is in fact a parallel to what emerged during the 1920's and 1930's with the growth of the bootlegging gangs. They then became very active in small retailing, which is in essence the kind of thing that they had been involved in before.

The CHAIRMAN. Yes.

Mr. REUTER. And in many of those businesses they are legitimate entrepreneurs, though the money is entirely illegitimate in its origins.

The CHAIRMAN. I do not want to get off on this, but quite frankly it is the part of the drug problem that worries me the most in terms of the insidious impact that drugs will have on our economy and on our Government long after we may have whipped the problem, if we do whip the problem short end.

Mr. REUTER. If I can make a distinction here, I do not believe that in the United States we are seeing the emergence of stable

groups in the drug business that are expanding into other areas of either crime or legitimate activity. That is one of the differences between them and the bootleggers. By the mid-1920's, you already had bootleggers very heavily involved in legitimate investments and labor racketeering. There is no counterpart in the drug business. Maybe it is the nature of the activity. It may also be that this is the first business in which high-level people have been at some risk of lengthy prison sentences. And you do want to diversify your investments in ways that make them hard to track.

The CHAIRMAN. I do not think this is worth a point of debate. I think in heroin and in other trafficking operations that historically have been controlled by families, organized crime families, you do see that. I do not think you see it because it is so much more entrepreneurial, the overwhelming growth of cocaine and the impact of cocaine, both in the source country and in the United States, has not been that controlled by organized crime units here in this country. It is incredibly entrepreneurial.

The one thing that the Mafia should be thankful for is when you say organized crime, you can no longer mean just the Mafia. We have Haitian organized crime, Colombian organized crime, Jamaican organized crime, Mexican organized crime, motorcycle gang organized crime.

I did not mean to divert. Professor Craig, if you would speak to the issue of the extent of the problem in the source country in terms of population addiction; that is, children being born addicted to cocaine, the impact of addiction across the board. Is it viewed now in Bolivia, Colombia, Peru as we have here, in our town, in our city, in our country, as a problem relating to the addiction of our population?

Mr. CRAIG. I do not think it is viewed now in any of the "source four," including Mexico, as it is here. The reason is quite simple. They are just now in these countries beginning to feel the impact in the middle class. Now, in another couple of years it is going to be the same reaction there as it was here. As long as it is in the ghetto, as long as it is them folks out there, it is no big deal. But when my kid comes home stoned, or when Art Linkletter's kid jumps off a balcony, then it is a big deal.

I do think that Latin American governments, like ours from time to time, have tended to underestimate the abuse problem. The Mexicans are very bad about underestimating it. Anecdotally, I can guarantee you, and we are getting some stats back from Colombia now, that abuse of basuco and so forth in South America is becoming a very real problem. Basuco is, as you well know, a very seriously addictive drug. It is probably the most addictive drug in the world. It is even worse than cigarettes. It is exceptionally addictive. It is worse than crack because it still has the impurities in it.

Bogotá, Colombia, is really in trouble with basuco, real trouble.

The CHAIRMAN. Well again, I have many more questions, but I will refrain. I will submit about four of them, if I may, to each of you in writing and ask if we can continue to call on your counsel.

There is a Judiciary Committee hearing that begins here at 2 o'clock on computer patents, but since I am chairman of the Judiciary Committee, that will be delayed for 15 minutes.

Without objection, and since there are no other members of the Judiciary Committee here, let it be noted that there has been no objection.

I waited a long time to be able to say that, Professor Craig. It took 17 years to get to the point that I could delay a hearing for 15 minutes.

I am supposed to be presiding over the Foreign Relations Committee at this moment, since I chair the European Affairs Subcommittee, on the impact of Gorbachev's actions on Eastern Europe. I was supposed to be there at 1:30 and I was delayed.

My colleague from Florida has been gracious enough to finish this panel. Since I have had the chance, I do not feel that I am losing as much as I ordinarily would by going up. So, if you all would excuse me, I thank my colleague. I apologize to those here on the computer hearing. But I am not being facetious; you can learn a lot from these fellows if you listen for another 15 minutes.

My staff is over there saying, what are you doing? What I am doing is, I am the Chairman. At any rate, all kidding aside, thank you very, very much. I will continue to be able to call on you, I hope.

I yield the gavel and the questioning to my colleague from Florida. Thank you very, very much.

Senator GRAHAM. Thank you, Mr. Chairman. It only took me 2 years in order to be able to take advantage of the 15 minutes.

The CHAIRMAN. It is all yours, if you want to make it longer.

Senator GRAHAM. In recognition of the short amount of time that we have, I may also have some questions that I would like to submit later.

I have two issues to pursue in the remaining few minutes. One, you have commented about the fact that Latin American countries internally are undergoing a transition analogous to what our country did over the last decade in terms of recognition of the severity of this problem.

Would you have any comments as to how that change in Latin American societies' perception of this problem should affect U.S. diplomatic initiatives with those countries in terms of our efforts at involving them in a hemispheric effort?

Mr. CRAIG. I think it is already affecting them. The best evidence you could see of it is in Bolivia and Peru. I cannot imagine Operation Snowcap or Blast Furnace taking place in either one of those countries 10 years ago in any circumstances, absolutely. In fact, I am still amazed that it happened.

On invitation, as you know, of course, American Special Forces, DEA agents, and so forth, are training and helping and actually participating in operations that a couple of years ago would have been absolutely unthinkable. The only reason this is being done—there may be other reasons, of course—is that this is the only way that either Peru or Bolivia can see any politically acceptable possibility of striking back. Otherwise, it is safe to say that they are desperate in a sense and taking a chance, both of them being very shaky democracies nearing an election, by inviting U.S. troops in. I think it is a very good manifestation.

Senator GRAHAM. Given that as an example of the manifestation of the awareness of this problem, are there some proactive opportu-

nities that this has made available to the United States that may not have been available 10 years ago?

Mr. CRAIG. Well, in those two countries there may be, but again the economic and political situation is very, very precarious. A lot is going to depend on the next election in both countries.

I do not think the same thing true of Colombia because Colombia is much more capable of handling the problem. And it is not applicable at all to Mexico. It would be virtually unthinkable in Mexico, American troops. That pretty well says it.

Senator GRAHAM. Mr. Lee.

Mr. LEE. Yes, I think that there has been a tremendous increase in awareness on the part certainly of the top leaderships of Latin American countries about the seriousness of their drug problem. I mean, it is becoming very obvious that the drug traffic, especially I think the cocaine traffic, is causing tremendous harm to Latin American countries. You can just look at the increasing violence, the corruption, the increased patterns of drug abuse, and the deteriorating national image. There are things, obviously, that are happening in Latin America as a result of cocaine that these governments would like to stop.

I think that the chances of cooperation with Latin American governments appear to be greatest when we are talking about the more downstream phases of the industry. I mean, attacking cocaine laboratories is something that I think we can all agree on—we can agree that the cocaine traffic is bad. I think when you start talking about the peasants that grow the stuff, on the other hand, here governments become nervous because there are an awful lot of people that are out there on the farm growing drug crops, growing coca. Governments face what they perceive to be a political problem if they take sudden, abrupt, harsh measures that would affect the livelihoods of a few 100,000 peasants. So, I think for the chances for cooperation, I think you are going to have to focus on things like going after laboratories, going after trafficking networks, that kind of thing.

Senator GRAHAM. The second question I wanted to ask, Is a U.S. domestic manifestation of the international dimensions of this, the number of illegal aliens in the United States involved in drug-related activities? In my State of Florida this has become a major concern of law enforcement agencies. In the recent drug bill there were some new provisions inserted to increase our ability to quickly deport or take other appropriate action against illegal aliens who are involved in drug trafficking. Do you have any comment on the effectiveness of what we are currently trying to do, the effect of returning these kinds of people to their home countries, what that is having in their countries of origin, any recommendation for changes in U.S. policy?

Mr. REUTER. I have not looked systematically at how that law has been used. I do know that innovative prosecutors have made pretty aggressive use of the expedited proceedings that are available in that way. In one fairly famous study of intense enforcement against a heroin market in Lynn, MA, one reason that the crackdown effort was able to eliminate the major traffickers in this very small localized market was, precisely, that a number of them were deported. They turned out to be illegal aliens and were deported to

their countries of origin. It certainly expedited matters. But I have no idea of how significant that instrument could be for enforcement here.

Senator GRAHAM. Mr. Craig.

Mr. CRAIG. It all depends on how it is done and what happens when they get home. If they are turned over when they get home to officials and then prosecuted, it is a very effective instrument. On the other hand, if they go home just as typical citizens, typical illegal immigrants deported by the United States back home, they will have no more difficulty getting back into this country than does the typical illegal immigrant from the south. Then it is just a revolving door; it is a waste of money.

It all depends on what happens to them when they get home, as you well know.

Senator GRAHAM. Is there any other comment on that subject?

Mr. LEE. I do not, no.

Senator GRAHAM. If not, our 15 minutes are almost up. On behalf of the chairman and the other members of the caucus, I wish to express my appreciation for the very excellent contribution that you have made and, as the chairman, look forward to a continuing relationship as we try to use your insight in sorting through public policy on this issue. Thank you.

The hearing is concluded.

[Whereupon, at 2:10 p.m., the caucus stood in recess, subject to the call of the Chair.]

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